



Daily Report

East Asia

FBIS-EAS-95-141
Monday
24 July 1995

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report

East Asia

FBIS-EAS-95-141

CONTENTS

24 July 1995

NOTICE: An * indicates material not disseminated in electronic form.

INTER-ASIAN AFFAIRS

South Pacific Forum Protesting French Tests [AFP]	1
ASEAN Agrees to AFTA Grace Period for SRV [THE NATION 24 Jul]	1

NORTHEAST ASIA

Japan

Article Comments on Cargo Accord With U.S. [KYODO]	3
Editorial on Liberalization of Aviation Industry [NIHON KEIZAI SHIMBUN 22 Jul]	4
Aviation Accord Seen Outgrowth of Auto Accord [MAINICHI SHIMBUN 22 Jul]	5
Liquor Tax Disputes Under WTO Failed Accord [NIHON KEIZAI SHIMBUN 22 Jul]	5
MITI Internal Conflict in Auto Talks Viewed [SHUKAN DAIYAMONDO 22 Jul]	5
U.S. Demands for PHS Market Access Rejected [KYODO]	7
Bureaucrats' Changing Views of U.S. Discussed [AERA 10 Jul]	8
Upper House Election Results Reported [KYODO]	10
Proportional Representation Results [KYODO]	11
NFP Wins Last Proportional Seat [KYODO]	11
Namelist of Winners [KYODO]	11
SDPJ's Performance in Poll [KYODO]	13
LDP Fares 'Worse Than Expected' [KYODO]	13
JCP Retaining Five Seats [KYODO]	14
Sakigake's Only Incumbent Reelected [KYODO]	14
Key DRP Members Lose Seats [KYODO]	15
Voter Turnout 'Low' in Election [KYODO]	15
Murayama on Election Results [Tokyo TV]	16
Murayama Discusses Election Results [Tokyo TV]	16
Coalition Leaders Urge Murayama Stay in Office [KYODO]	17
Muraya Agrees To Remain [KYODO]	18
Ozawa Urges Murayama To Step Down [KYODO]	18
Kaifu Criticizes Murayama [KYODO]	19
LDP Leadership Likely To Come Under Pressure [KYODO]	19
Coalition Setback May Herald Cabinet Reshuffle [KYODO]	20
Kono, Takemura's Posts in Reshuffle Viewed [KYODO]	21
Business Leaders on Poor Showing of SDPJ [KYODO]	22
Yomiuri Shimbunsha Proposes Security Policy [THIS IS YOMIURI 1 Jun]	22

North Korea

U.S. 'War Maneuvers' Criticized [KCNA]	34
CPRF Denounces U.S. Soldiers' Actions [KCNA]	35
More on Kim Yong-nam Letter to Butrus-Ghali [KCNA]	35
Kim Yong-sam's U.S. Trip Decried [KCNA]	36
'Deteriorating' Sino-U.S. Relations Noted [Pyongyang Radio]	36
South's Call for Military Preparedness Denounced [KCNA]	37

Negative Reaction to South's Kwangju Decision	37
NDFSK Condemns Decision [KCNA]	37
Decision 'Unreasonable' [KCNA]	38
Sit-in Strikes in South [KCNA]	38
Protests Held [KCNA]	38
Protests Continue for 5th Day [KCNA]	39
Koreans in Japan React [KCNA]	39
Mun Ik-hwan's Widow Visits Mother's Grave [KCNA]	39
South's Joint Festival Committee Meets Press [KCNA]	39
Welcomed by North [KCNA]	40
South 'Obstructing' Festival [KCNA]	40
Confederation Only Means to Reunification [KCNA]	41
Alleged ANSP Agent Defects to North [KCNA]	42
Japan's Defense White Paper Criticized [Pyongyang Radio]	42
Kim Chong-il Receives Messages From Abroad	42
From Foreign Party Leaders [KCNA]	42
From Sri Lankan President [KCNA]	43
Kim Chong-il's Work on Ideology Viewed [KCNA]	43
Kim Chong-il's Works Disseminated Abroad [KCNA]	44
Giving Priority to Ideological Work Stressed [NODONG SINMUN 25 Jun]	44
Workers, Soldiers Vow Loyalty to Kim Chong-il [KCNA]	47
Services Held for Vice Marshal Kim Pong-yul [KCNA]	48
Workers Increase Production on WPK Anniversary [KCNA]	48
Increases in Food, Meat Production Reported	49
Sungsan County [Pyongyang TV]	49
Sinchang Farm [Pyongyang Radio]	49
Kaecheon Plant [Pyongyang TV]	49

South Korea

'Disagreement' on Program Coordinator Discussed [SEOUL SINMUN 24 Jul]	49
MOU 'Improperly' Guarantees U.S. Firm's Role [YONHAP]	50
Memorandum Criticized [YONHAP]	51
Trade Minister Comments [Seoul TV]	52
KAERI Demand for Bigger Role 'Rebuffed' [THE KOREA TIMES 23 Jul]	53
KAERI Union Denounces Removal of Engineer [YONHAP]	54
Korean General To Replace Outgoing UNC Head [CHUNGANG ILBO 22 Jul]	54
Letter From U.S. Ambassador Summarized [CHOSON ILBO 22 Jul]	54
Trade Deficit With U.S. Reportedly Balloons [THE KOREA HERALD 23 Jul]	55
Economists Comment on Deficit [THE KOREA HERALD (Supplement) 22 Jul]	56
Impact of Shelf-Life Agreement Viewed [THE KOREA HERALD 22 Jul]	57
Farmers, Consumers Opposed [THE KOREA TIMES 23 Jul]	59
North Asks U.S. for Food Grains [YONHAP]	59
U.S. Response 'Negative' [YONHAP]	60
Inter-Korean Trade on Rise [YONHAP]	60
Government Prohibits Joint Events at Panmunjom [Seoul TV]	60
North's Relations With PRC Recovering Rapidly [HANGUK ILBO 24 Jul]	60
Russia To Revise Military Treaty With North [CHOSON ILBO 24 Jul]	61
Seoul Not Yet Notified [YONHAP]	61
Kong No-myong Discusses LWR Issue [THE KOREA HERALD 22 Jul]	62
Seoul To Develop Nuclear Fusion Technology [YONHAP]	63
'Radiation' Accident: Reported Near Kori Plant [THE KOREA HERALD 22 Jul]	63
Minister Apologizes for Spill [YONHAP]	64
New Party To Probe Spill [YONHAP]	64

SOUTHEAST ASIA

Burma

DAB Vice Chairman on Suu Kyi's Release [THE SUNDAY POST 23 Jul]	65
'Key' Khun Sa Commander Karnyord Leaves MTA [THE NATION 22 Jul]	67
Paper Views Rangoon-Beijing Relationship [MYANMAR ALIN 7 Jul]	68
Ohn Gyaw Meets With Japanese Officials [MAINICHI SHIMBUN 22 Jul]	68

Brunei, Malaysia & Singapore

Malaysia

Mahathir Addresses Situation in Bosnia	69
Says West Appeasing Serbs [Kuala Lumpur TV]	69
Rejects Arms Embargo [Kuala Lumpur TV]	69
Defends Decision To Sell Arms [Kuala Lumpur TV]	69
Urges Sacking of Butrus-Ghali [BERITA HARIAN 22 Jul]	69
Foreign Minister Views Regional Issues [UTUSAN MALAYSIA 20 Jul]	70
'Impressive' 1st-Quarter Growth Rate Posted [THE STAR 21 Jul]	71

Cambodia

Khmer Rouge Radio Comments on Christopher Visit [Radio PGNUNS]	72
Singapore Foreign Minister Visits 18-20 Jul	72
Ing Huot Views Visit REAKSMEI KAMPUCHEA 20 Jul]	72
Hun Sen Receives Jayakumar [REAKSMEI KAMPUCHEA 22 Jul]	73
Ranariddh Meets With Minister [REAKSMEI KAMPUCHEA 23 Jul]	73
Thai Army Reportedly Blocking Rice Shipment [BUSINESS DAY 21 Jul]	74
Khmer Rouge Reject Government Loan Agreements [Radio PGNUNS]	74

Indonesia

Alatas Confirms PRC 'Never Claimed' Natunas [ANTARA]	75
Article Examines SRV Membership in ASEAN [SUARA KARYA 20 Jul]	75
Editorials Consider CGI Loan Pledges [SUARA PEMBARUAN, etc.]	77
Suharto Urges Expansion of Shipbuilding Industry [Jakarta Radio]	78

Thailand

'Source': 2 Cabinet Members Blacklisted by U.S. [KRUNGTHAP THURAKIT 24 Jul]	79
Chinese Dailies Comment on Banhan Government [XING XIAN RIBAO, etc.]	79
Surakiat To Continue Financial Liberalization [THAILAND TIMES 23 Jul]	80
Surakiat To Focus on Trade Negotiations [THE NATION 24 Jul]	81
Article Views Impact of New Finance Minister [THE NATION 24 Jul]	82
Bank Governor Reaffirms Economic Stability [Bangkok International]	83
Current Account Deficit Figures Reported [BUSINESS DAY 24 Jul]	83
Chat Thai 'Powerbroker' Suchat Profiled [BANGKOK POST 24 Jul]	83
Breakup of Thoet Thai Faction Detailed [THE NATION 20 Jul]	85

Vietnam

Civilian Casualties From War-Era Ordnance Noted [VNA]	86
Radio Reviews Relations With Singapore [Hanoi International]	87
German Legislative Delegation Visits 18-21 Jul [VNA]	87
Germany To Repatriate 40,000 Vietnamese [Hanoi International]	87
Cooperation Protocol Signed With Germany 21 Jul [VNA]	88
Guinean Trade Minister, Delegation Visit [VNA]	88
New Lighthouse in Spratly Islands Inaugurated [THOI BAO KINH TE SAIGON 28 Jun]	88
Ministry Approves 84 Overseas Work Contracts [Hanoi International]	88
Bank Directors Meet on Monetary Policy [VNA]	88
State Bank Governor on Anti-Inflation Measures [Hanoi Radio]	89
Son La Province Reviews Party Work, Membership [Hanoi Radio]	89
Socioeconomic Targets Set for Mekong Delta Area [VNA]	90
Vo Van Kiet, Southeast Officials Meet on Goals [Hanoi Radio]	90
Presidential Office Cites 2 New Ordinances [VNA]	91
North Transfers Electric Power to South [VNA]	91

AUSTRALASIA

Australia

Keating Rules Out Sending Warship to Mururoa [Melbourne International]	92
Defense Cooperation Accord Signed With Greece [Melbourne International]	92

New Zealand

Cabinet Votes To Send Navy Ship to Mururoa [Melbourne International]	92
--	----

South Pacific Forum Protesting French Tests

BK1907070195 Hong Kong AFP in English
0644 GMT 19 Jul 95

[FBIS Transcribed Text] Suva, July 19 (AFP) — South Pacific nations Wednesday agreed on diplomatic measures to protest against planned French nuclear testing in the region, including raising the issue at the United Nations.

The measures — including a call for a South Pacific nuclear free zone — were decided by a committee set up by the 15-nation South Pacific Forum following French President Jacques Chirac's decision to approve eight nuclear tests in French Polynesia from September, a forum statement said.

Members agreed regional opposition to the tests "should be a focus of activity in international forums such as the UN General Assembly and the forthcoming Commonwealth Heads of Government Meeting in Auckland," the committee said.

The committee recommended that a September meeting of the forum's heads of government in Madang, Papua New Guinea "should issue a statement firmly condemning the French government's decision."

It also called on forum leaders to send a ministerial mission overseas to persuade the United States, Britain and France to sign the South Pacific Nuclear Free Zone Treaty, which would prohibit nuclear testing.

"I believe we have successfully identified a range of options which will effectively carry forward the region's opposition to the French decision," said a spokesman for the committee meeting.

The meeting endorsed a two-day meeting of South Pacific environment ministers in Brisbane, Australia, starting on August 17 to discuss the implications of nuclear testing in the Pacific.

Countries represented at the meeting were Australia, Fiji, Micronesia, Nauru, New Zealand, Papua New Guinea and the Marshall Islands.

ASEAN Agrees to AFTA Grace Period for SRV

BK2407061795 Bangkok THE NATION in English
24 Jul 95 pp B1, B2

[FBIS Transcribed Text] Hua Hin — Senior ASEAN economic officials agreed to give Vietnam, the seventh designated member of ASEAN until 2006 to take part in the ASEAN Free Trade Area (AFTA), instead of the scheduled target date of 2003.

ASEAN officials agreed to give the three-year grace period for Vietnam to cut its industrial tariffs to a

maximum of five per cent at Friday's meeting in Hua Hin, where they met to discuss the preparation agenda for the ASEAN Summit.

The summit is scheduled to take place in Dec this year in Bangkok.

Sources said that Vietnam's admission to AFTA aside, the officials also discussed the future of the auto part exchange programme and new ways of cooperating, such as regarding labour movement.

ASEAN officials agreed to extend the ASEAN exchange part programme under the so-called brand to brand complementation [BBC] programme — a reversal of a recent ASEAN interpretation dictating that the BBC scheme should be scrapped.

On Vietnam's admission to AFTA, Kroekkrai Chiraphaet, director-general of the Business Economics Department and also chairman of the informal senior economic officials' meeting, said, "We have to give Vietnam a flexible timetable for tax reductions under AFTA because its economic development is behind the original six ASEAN members."

Earlier, a senior official of Vietnam's Finance Ministry said Vietnam required a three to five year grace period to bring its tariffs in line with those of other members of the Association of Southeast Asian Nations, which it is poised to join on July 28 this year.

"Admission to the association leaves Vietnam with serious challenges to face," Tran Van Ta, director of the ministry's Department of Financial Policies, was earlier quoted as saying by the English-language daily VIETNAM NEWS.

Speaking at the end of the informal senior officials' meeting on Friday, Kroekkrai elaborated that although Vietnam needed time for adjustment, it would be given 10 years to implement the Common Effective Preferential Tariffs (CEPT) scheme, the same period as the other six ASEAN members.

That is, Vietnam would have to start cutting its tariffs to a maximum of five per cent in 1996, and finish in 2006. The rest of ASEAN would implement the AFTA agreement from 1993 to 2003.

Conditions for Vietnam's accession to AFTA depend on its tax reduction plan, which Vietnam will have to submit to the ASEAN Economic Ministers' Meeting in Brunei in September.

Edsel Custodio, assistant secretary to the Philippines' Department of Trade and Industry, said that although Vietnam has been given an additional three years to

implement the tariff cuts, it would have to eventually comply with the full CEPT scheme.

ASEAN will also consider how Vietnam will fully comply with the CEPT, Custodio said.

"It depends on the down payment and board commitment of the tariff reduction table presented by Vietnam," Custodio stressed.

Kroekkrai said although Vietnam was slower to decide to join AFTA than the others, the delay is not likely to cause the AFTA process to drag on.

The sooner Vietnam can reduce its tariffs, the sooner it will benefit from the tariff reductions offered by ASEAN. Under the CEPT, AFTA members have to reduce their taxes to 20 per cent before they can enjoy tax reductions from others.

Meanwhile, other sources said that in the initial stage Vietnam is required to give national treatment and most-favoured-nation treatment to ASEAN, which is sufficient for ASEAN.

ASEAN has called upon Vietnam to draw up a tariff reduction schedule and submit it before the 27th ASEAN Economic Ministers Meeting in Brunei in September.

Vietnam, which is anxious to protect its fragile industries during the painful transition from a centrally-planned economy to a market-oriented one, is also being asked by ASEAN to submit a draft schedule to eliminate all non-tariff barriers, such as quota requirements.

In seeking new areas of cooperation, the senior official also discussed labour cooperation.

A source at last week's meeting said Thailand proposed a labour facilitation which would allow professionals to move freely throughout ASEAN.

Thailand wants ASEAN members to recognize each other's professional standards, such as accounting ones, the source said.

"Cooperations on labour were widely discussed, but no agreement was reached and we only looked at the possibility of new cooperations beyond trade. It is a first step before beginning talks about the free movement of labour," the source said.

Kroekkrai said that almost all ASEAN members, with a few exceptions, agreed that ASEAN should press for closer economic integration.

"It should go beyond the AFTA tax reductions — we want to see a true free trade area in which other factors of production could move freely," Kroekkrai said.

However, ASEAN members have not yet agreed what the new areas of cooperation would be. Senior officials from each country would return home to consider the possibilities and discuss them again at the senior economic officials' meeting in Aug in Jakarta, he said.

ASEAN has plenty of time to work out a new area plan to submit to the ministers and then to the ASEAN leaders summit in December, Kroekkrai said.

Meanwhile, Singapore and Brunei, major labour importers, were cautious about the possibility of labour cooperation.

Asked if ASEAN should allow freer movement of labour, Dato Ahmad Yusoff Brunei's head delegate and permanent secretary of the country's Industry and Primary Resources Ministry, said it was premature to comment, as it is up to his minister to decide.

Asked the same question, Ridzwan Dzafir, Singapore's head representative and director-general of the country's Trade and Development Board, said he only had authority regarding trade matters.

However, the Filipino delegate expressed strong support for further economic integration.

"The priority of the ASEAN leaders' summit is closer economic integration throughout Asean," Custodio said.

The cooperation should extend beyond trade to cover other areas such as industry, services and science and technology. ASEAN also has to accelerate the CEPT and fully implement it, he said.

ASEAN has to quickly increase its international competitiveness as many things are rapidly developing, such as the progress of economic cooperation in the Asia-Pacific Economic Cooperation forum, Custodio said.

As the chairman of the ASEAN working group for drafting services cooperation, Custodio said that the services framework would be finalized at the beginning of next month.

The ASEAN members are Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand. ASEAN trade accounted for 28 per cent of Vietnam's total import-export turnover in 1994.

Japan

Article Comments on Cargo Accord With U.S.

OW2207043395 Tokyo KYODO in English
0358 GMT 22 Jul 95

[FBIS Transcribed Text] Los Angeles, July 21 KYODO — The United States agreed to authorize a total of six weekly Chicago-bound flights by two Japanese air cargo carriers departing from Osaka as a part of an aviation deal struck Thursday [20 July], Japanese officials said Friday.

Washington granted the rights to Japan Airlines (JAL) and Nippon Cargo Airlines (NCA) that depart from Kansai International Airport [KIA] on a man-made island in Osaka Bay, western Japan, the officials said.

The two carriers will be allowed to use New York as a stopover point before flying on to Chicago, they said.

The accord also empowers JAL to fly beyond Chicago to one or two airports in Canada, the first time that a Japanese cargo carrier has been given such "beyond rights" from the U.S., they said.

The details of the aviation accord, among other things, were confirmed in a meeting between Japanese Transport Minister Shizuka Kamei and U.S. Transportation Secretary Federico Pena, the officials said.

The additional details emerged a day after the two top transport officials settled the aviation row, averting possible sanctions by both countries with an agreement to boost a U.S. cargo carrier's routes and review a treaty that Japan finds unfair.

The Thursday deal empowers Federal Express Corp., based in Memphis, Tennessee, to add seven routes through Japan to other Asian destinations, in exchange for JAL and NCA being approved for Chicago-bound flights.

The agreement also calls for the two governments to begin negotiating in September to review the cargo portion of the 1952 bilateral aviation treaty under a six-month deadline.

Under Thursday's accord, however, the two sides have not agreed on reviewing what Japan has denounced as an unacceptable disparity between the numbers of passenger flights operated by the two nations' airlines.

Japan has denounced the 1952 pact for giving basis to the disparity.

Naoki Hirano, vice transport minister for international affairs, emerging from talks with the U.S. delegation, told a news conference, "We expressed Japan's hope for a review of (the passenger service disparity) as quickly as possible."

"I am sure that the United States is aware of our wishes on this point," he said.

Kamei also told reporters, "It is significant (for Japan) to have succeeded in having the United States recognize virtually equal rights for Japan under the unfair aviation treaty."

"(Japan) has bored a hole, through which we will be able to have the aviation treaty reviewed by securing an agreement to renegotiate the cargo portion under the deadline," he said.

Meanwhile, Pena told a separate news conference he instructed his department officials to lift the proposed procedures necessary to slap sanctions on Japanese cargo carriers.

Pena described the purpose of fresh aviation negotiations due to start in September as one designed to realize greater access and unrestricted competition by cargo carriers of the two nations.

His comments sharply contrasted with those of Japanese officials who described the purpose of the upcoming talks as one designed to rectify what they perceive as the unacceptable disparity in favor of the U.S. passenger and cargo carriers stipulated in the 1952 pact.

Pena told reporters no agreement was struck to review the passenger portion of the pact.

In a related development, Japanese sources revealed indications that the U.S. was softening its stance encouraged the Japanese side to maintain a tough stand in bargaining.

Information that the U.S. was willing to offer a compromise was brought to the attention of the Transport Ministry delegation just before departing for Los Angeles, the sources said.

U.S. Government sources had hinted to reporters of the WALL STREET JOURNAL and other leading U.S. newspapers a readiness to compromise.

"We decided to press ahead with our original stance as we thought the United States was ready to give in," a source said.

During mid-July negotiations in Tokyo, Washington demonstrated a tough negotiating stance and added demands for Japanese authorization of four more routes for Federal Express in addition to the original seven new route demand.

Washington then raised its demands by adding another request for route service to Tokyo for United Parcel Service.

The U.S. also earlier proposed setting a 15-month deadline for a fresh round of negotiations for reviewing the 1952 pact instead of the eventually agreed-upon six-month deadline.

Initially, the Japanese delegation was fearful that the U.S. side "will press their same original demands in a cabinet-level negotiation in Los Angeles," the source said.

But then at the start of Thursday's talks with Kamei, Pena dropped some U.S. demands and expressed a willingness to authorize a Japanese demand to fly to Chicago from KIA, the source said.

Editorial on Liberalization of Aviation Industry
OW2207154095 Tokyo NIHON KEIZAI SHIMBUN in Japanese 22 Jul 95 Morning Edition p 2

[Editorial: "It Is Necessary To Speed Up Liberalization of the Japanese Aviation Industry To Promote Its Independence"]

[FBIS Translated Text] The Japan-U.S. aviation talks on the issue of allocating new routes to a major American air cargo firm have reached an agreement. Japan has succeeded, to a certain extent, in rejecting the one-sided U.S. demand. However, the most important task in correcting an unequal Japan-U.S. aviation treaty, including the passenger flight sector, remains unsettled. The fact is that the business strength gap between Japanese and U.S. companies has hampered aviation liberalization. Japan needs to hold future negotiations on an equal footing with the United States, which wants further liberalization of international aviation business. To that end, the government has to speed up the liberalization of domestic aviation policies and to make utmost efforts to increase the competitive strength of Japanese aviation companies.

The recent negotiations started in response to a request by the Federal Express Corp. of the United States to open new routes via Japan to seven Asian destinations. Accepting the request, the Japanese side, in return, has obtained a new air cargo route to Chicago and a U.S. pledge to start negotiations on a review of the air cargo treaty.

The latter, in particular, seems to mark significant progress for Japan, which has demanded the rectification of the unequal treaty. However, Japan should not be overoptimistic about future negotiations. This is because the recent negotiations have again demonstrated that the real intention of Japan is totally different from that of the United States in terms of reviewing the bilateral aviation treaty, including the passenger flight issue.

Although there are many unequal clauses in the treaty, Japan's true intention over passenger flight services is not to correct the inequality, but to freeze the current situation. Even if unequal matters are resolved, various Japanese aviation companies cannot afford to expand business operations by using equal rights and interests because they have suffered business depression due to the appreciation of the yen.

There is a wide gap in competitive strength between American aviation companies, which have experienced thorough-going deregulation and undergone the severe weeding out for the sake of reorganization, and Japanese companies, which have enjoyed warm protection by the government. In particular, the gap is considerably large in the passenger flight sector. Japan's consistent hard-line stance throughout the recent negotiations was based on the fact that the gap in competitive strength between Japanese and U.S. companies is not very large in the air cargo sector.

In terms of passenger flight services, Japan rather wants to put a brake on U.S. moves to increase flights by adopting an in-advance screening system of applications for an increase in passenger flights, not the current ex post facto screening system. Nevertheless, it cannot take such an action because it is apparent that the United States would criticize Japan for engaging in managed trade. In the long run, the government will be forced to take the weak position of maintaining the need to protect Japanese companies on the basis of "national interests" or "national policy," while officially advocating liberalization.

However, the current weakness of Japanese aviation companies is attributed to excessive protectionism under national policy. "National policy" has helped build the current corporate structure of aviation companies, which lacks proper measures to deal with the yen appreciation. As a result, they have failed to fulfill their responsibility as "national flag" carriers, and have imposed exorbitantly high air fares on Japanese consumers.

The Asian region, which Federal Express has targeted, is considered a growing market for passenger flight services as well. The United States will certainly step up the offensive in the region.

In view of the difference between Japanese and U.S. aviation companies in business capabilities, it can be said that it is unrealistic to believe that the current aviation treaty will be immediately revised into a completely free treaty. However, the government should persistently seek the independence of Japanese aviation companies and "national interests," which mean bringing about interests for consumers. To that end, the government should first achieve the liberalization of the

domestic aviation policy and should take prompt measures to increase the competitive strength of each aviation company.

Aviation Accord Seen Outgrowth of Auto Accord

OW2307025795 Tokyo MAINICHI SHIMBUN
in Japanese 22 Jul 95 Morning Edition p 9

[By economics reporter Ichiro Igawa]

[FBIS Translated Text] The Japanese-U.S. accord over civil aviation grew out of the late-June bilateral auto accord. Toward the last stages of the auto negotiations, Japan and the United States came to feel that sectoral trade friction should not be allowed to cause adverse effects on overall bilateral relations.

In the aviation talks, the United States appears to have persistently taken a hardline attitude. In reality, however, the United States showed some tactfulness, as, for example, "it did not announce plans to invoke sanctions against Japan until 19 June, which was after the Halifax summit ended, since the U.S. State Department, in a bid to prevent the sanctions announcement from adversely affecting the Japanese-U.S. summit meeting, managed to delay the announcement by suppressing voices urging a prompt announcement" (according to Japanese and U.S. diplomatic sources). In proceeding with the negotiations, the Ministry of Foreign Affairs, while ostensibly stressing that it will "cooperate with a singleness of purpose" with the Ministry of Transport, had continually urged the latter to "quickly wrap up" the negotiations.

Mutual expansion of each other's aviation rights and interest and the unfairness of the existing aviation treaty were the topics of discussion in the latest aviation talks between Japan and the United States. This, in itself, followed the same pattern of previous aviation talks. Nevertheless, the talks drew much public attention because they came to be regarded as one aspect of Japanese-U.S. friction since they were being conducted in parallel with the auto talks.

Final decisions on such basic issues as what to do about the unfairness of the existing treaty and the "open sky" concept were left to future discussions. It seemed like a Foreign Ministry source was speaking from experience as he muttered: "Why do we have to go through so much trouble for one certain company?"

Liquor Tax Disputes Under WTO Failed Accord

OW2207145195 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 22 Jul 95 Morning Edition p 5

[FBIS Translated Text] The Japan-U.S. bilateral consultations on correcting the tax differential between imported liquors, including whiskey, and Japanese

"shochu" distilled spirits — which were held under the World Trade Organization (WTO) in Geneva on 21 July — ended without reaching an accord. Japan also failed to reach an accord with the European Union (EU) and Canada in consultations held the previous day. It is most likely that the venue of the consultations will shift to the dispute-settling panel as early as late August.

The EU filed a complaint on the liquor tax issue with the WTO on 23 June, and the United States did so on 7 July. If no compromise is reached, there is large possibility that the EU, Canada, and the United States will ask the WTO to set up a dispute-settling panel sometime between late August and early September, when the period of bilateral consultations expires.

MITI Internal Conflict in Auto Talks Viewed

OW2307122895 Tokyo SHUKAN DAIYAMONDO
in Japanese 22 Jul 95 pp 122-123

[Article by Tadahide Ikuta from the "Deep Structure of Kasumigaseki" series; part two in a 2-part feature on the Ministry of International Trade and Industry, this one titled: "Hardliners Took Breakdown in Auto Talks for Granted; 'Ambiguous' Views on Accord Reflect Internal Split"]

[FBIS Translated Text] The Japan-U.S. automobile negotiations reached a compromise at the last minute. Officials in the Ministry of International Trade and Industry (MITI) differ greatly — like they did at the final phase of the negotiations — in their assessment of the outcome of the talks.

For example, with regard to the fact that numbers were written into the joint statement of the Japanese and U.S. Governments, a leading official at the Industrial Policy Bureau says indignantly: "If the International Trade Policy Bureau [ITPB] claims that the final agreement, which has numbers in it, is not an 'ambiguous' solution, they can think whatever they want."

On the other hand, the first line officials of the Machinery and Information Industries Bureau [MIIB] and the ITPB, who were in charge of the negotiations, are still imbued with the euphoria of the auto talks. They claim that: "The negotiations were a 150 percent success. The outcome is much more than we expected" (according to a senior MIIB official).

"We cannot claim this openly because it might upset the United States, but the fact is the United States yielded completely. It is out of the question that the figures in the Japanese automakers' voluntary plans that the U.S. Government included in the joint statement should be taken to be 'numerical targets.' The accord is by no

means 'ambiguous.' It should be more than clear to anyone that 'the Japanese Government has nothing to do with this'."

Incidentally, the ITPB's International Economic Affairs Department had actually made preparations for filing a case with the WTO (World Trade Organization) in the event the final negotiations on 28 June broke down and the U.S. Government went ahead with sanctions against Japan. A room on the 17th floor of the MITI main building was even set aside for this purpose. A MITI negotiator reiterates the fact that: "We were calmly preparing to file a case with WTO. We did not merely regard filing a complaint as a negotiating tactic."

A Hard Line Against the United States Developed Last Autumn

The present round of auto talks actually originated from the sectoral negotiations in the Japan-U.S. economic framework talks, which started in September 1993. Although the framework talks broke down after the summit meeting between Prime Minister Morihiro Hosokawa and President Bill Clinton in February 1994, the two sides agreed to resume negotiations in May 1994.

However, in October 1994 the meeting between Minister Ryutaro Hashimoto of international trade and industry and USTR [U.S. Trade Representative] Mickey Kantor ended in disagreement. The United States started investigations of Japanese automobile maintenance parts under Section 301 of the Trade Act.

At that time, the U.S. demands consisted of: 1) Raising the local content ratio of Japanese automobile plants in North America to a level comparable to the Big Three U.S. automakers; 2) increasing Japanese parts purchases by 20 percent each year to \$40 billion in FY98; 3) increasing the number of Japanese dealers of U.S.-made cars substantially, by a specific number each year; and 4) increasing the ratio of parts procurement from U.S. companies, apart from purchases from Japanese companies in the United States, in Japanese carmakers' efforts to expand local parts procurement. The United States demanded that the "Japanese Government" should exert efforts to meet these demands. It wanted efforts similar to those which led to the "Action Plan" compiled during former President George Bush's visit to Japan in January 1992.

Then Deputy Vice Minister Sozaburo Okamatsu, MITI Director General Osamu Watanabe, Hayashi Hirokazu, chief of the MITI's Automobile Division and Masakazu Toyoda, chief of ITPB's Americas Division, were at the center of deliberations on how to respond to these

demands. After thorough discussions, they decided on a basic position:

1. Indicating numerical targets for the purchase of U.S.-made cars and auto parts in the January 1992 "Action Plan" was going too far; MITI cannot make commitments pertaining to the business operations of private companies.
2. After the inauguration of the EU in 1992, the era of coexistence with the EU countries in the world automobile market has ended; the automobile market has entered a period of "great competition." MITI will not do anything to disadvantage the position of Japanese carmakers.
3. Japan will not stop at bilateral negotiations with the United States, but will also consider working for a solution through a multilateral venue, such as the WTO.
4. "Kill" Section 301 of the U.S. Trade Act; that is, indicate Japan's position that in the future, it will never respond to the U.S. threat of imposing Section 301.

It is said that even MITI Minister Hashimoto "approved of" this basic position formulated by the leading officials of MITI "around autumn last year" (according to a senior official of the MITI minister's secretariat).

This basic position had two practical implications: The government will not engage in unnecessary intervention which may undermine the Japanese carmakers' position in the world automobile market, which has entered an era of "great competition"; and Japan will not bow to the U.S. threat to use Section 301.

A More Militant "New Team": Auto Accord Averted Further Conflicts

However, Administrative Vice Minister Hideaki Kumano was forced to resign by the end of 1994 under pressure from the Liberal Democratic Party. At the same time, Deputy Vice Minister Okamatsu, who began his career at MITI in the same year as Kumano, also resigned. Subsequently, ITPB Director General Yoshihiro Sakamoto assumed the post of deputy vice minister in late 1994, and the Automobile Division chief also changed from Hayashi to the incumbent Atsushi Oi in February 1995.

Sakamoto, who came to lead the MITI team, went into the automobile and auto parts negotiations, which resumed in January, using the basic position formulated by Okamatsu. However, the talks again broke down at the Hashimoto-Kantor meeting in Canada in May. The U.S. Government announced a preliminary list of sanctions against Japan, and MITI decided to file a complaint against the United States at the WTO.

Since May, in response to the rapid development of events, there has been corresponding changes in the MITI automobile team. In addition to Sakamoto, MIIB Director General Watanabe, Automobile Division Chief Oi and Americas Division Chief Toyoda, new ITPB Director General Hisashi Hosokawa, who is responsible for the WTO case, and Tadakatsu Sano, head of the International Economic Affairs Department, also became members of the team.

Within MITI, they are referred to as the "new team." They moved the auto negotiations to the WTO for a time, and compared to the "old team," they are indeed more "militant."

Subsequently, as discussed in the previous issue [15 July issue], the mass media started a grand chorus on "WTO rules."

However, if the final negotiations on 28 June had really ended in disagreement, was Japan indeed prepared to fight it out at the WTO? How were the prospects for reaching an agreement as Minister Hashimoto, Deputy Vice Minister Sakamoto and MIIB Director General Watanabe searched desperately for possible points of compromise?

A senior MIIB official gives the following explanation:

"I think both Messrs. Hashimoto and Watanabe realized that a breakdown was possible up to the last minute."

"However, they knew that while there was no scenario for a compromise, there was a strong desire on the U.S. side to reach a compromise. Various information kept pouring in, but the most notable one was that conflicts within the U.S. administration were deepening."

"I think unofficially, they had an idea of how Japan should use WTO rules as a weapon to force Kantor to compromise."

Another senior official reveals that "The decision to file a case with the WTO was fully effective as a negotiating tactic."

However, this is merely the MIIB's view. As mentioned earlier, ITPB officials assert that "filing a complaint with WTO was not merely regarded as a negotiating tactic."

Although the MIIB's and the ITPB's positions on the auto talks are inevitably bound to be different, their differences seem to go beyond this. In reality, how does the relationship between MIIB Director General Watanabe and ITPB Director General Hosokawa, which has been noted by the mass media, affect this issue? A senior official of the Agency of Natural Resources and Energy has this to say:

"Although Messrs. Watanabe and Hosokawa are not 'best friends,' they did not have any policy differences in the auto issue."

"In fact, we are all distressed because mass media reports seem to imply that senior officials of our ministry are in conflict."

However, the mass media has not been making up stories. The fact is, MITI is still suffering from the aftereffects of the "incident of ITPB Director General Naito's dismissal" in late 1993.

Senior MITI officials still do not see eye to eye, and there have been less lively discussions in the ministry. A number of senior officials express their concern that "If the auto talks failed and a case was brought before the WTO, intraministerial conflicts might have become even more irreconcilable." In that sense, the successful conclusion of the auto talks is indeed good news for the ministry.

U.S. Demands for PHS Market Access Rejected

OW2207034695 Tokyo KYODO in English
0326 GMT 22 Jul 95

[FBIS Transcribed Text] Tokyo, July 22 KYODO — The United States has urged Japan to make it easier for foreign businesses to enter the Japanese market for personal handy-phone (phs) systems, Posts Ministry officials said Saturday [22 July].

U.S. negotiators made the call at talks with their Japanese counterparts for a midyear review of telecommunications equipment procurement by Nippon Telegraph and Telephone Corp., the officials of the Posts and Telecommunications Ministry said.

The talks took place in San Francisco on Friday.

PHS is a cordless telephone system that offers lower rates than cellular phones. It is expected to find a lucrative market among corporate and individual users.

PHS services started this month in Japan.

According to the officials, the U.S. demanded that PHS should be covered by a bilateral accord on procurement by NTT that was concluded after negotiations held in parallel with "Framework" trade talks.

The Japanese balked at the demand, however, maintaining that PHS is a private-sector service and therefore should not be subject to the intergovernmental accord, the ministry officials said.

The two countries decided to hold working-level talks this fall.

The U.S. demand apparently stems from its desire to secure access to huge capital investment made by PHS manufacturers to expand the service nationwide.

The PHS service was launched by the NTT Personal Communications Network and DDI Pocket Telephone Groups in the Tokyo and Sapporo areas.

In the San Francisco review, U.S. officials claimed that NTT Personal is a subsidiary of NTT in a broad sense.

Given that NTT Mobile Communications Network Inc. (NTT Docomo) and NTT Data Communications Systems Corp. are subject to the accord regarding procurement of equipment, NTT Personal should be covered by the pact, the U.S. negotiators reportedly said.

But the Japanese noted that while NTT Docomo and NTT Data were spun off from NTT, NTT Personal was entirely a private company jointly incorporated by NTT and other private businesses, the officials said.

The Japan-U.S. agreement on NTT procurement was concluded in 1980 before NTT was privatized in April 1985. The pact was revised last fall.

Tokyo, July 22 KYODO — The Posts Ministry projects the number of PHS in Japan to total at least two million units by the end of fiscal 1995 and expand to 38 million units in 2010, compared with five million units currently in circulation for conventional portable phones.

Corporate capital spending on phs-related facilities will reach 191.4 billion yen in fiscal 1995, a 10-fold jump from the 18.4 billion yen investment the preceding year, according to a ministry survey.

Bureaucrats' Changing Views of U.S. Discussed

OW2307124195 Tokyo AERA in Japanese 10 Jul 95 pp 6-8

[Article by Toshiaki Miura, member of the AERA Editorial Board: "Snap Out of It, Big Brother"]

[FBIS Translated Text] Pro-American and godfather to the "good old boys" retired from the Ministry of Foreign Affairs [MOFA], 72-year-old government emissary Nobuo Matsunaga was driven to travel to the United States in June by his concerns over the atmosphere of impending crisis clouding the future of U.S.-Japan relations. Following a symposium on international issues, which served as the immediate pretext for his trip, he remained in Washington D.C. for a series of conferences with senior administration officials and leaders of Congress.

We Will Not Forget What We Owe the United States

He did this with an eye toward speeding a recovery in U.S.-Japan relations, which had been severely strained over the auto trade talks. "It is clear that an imposition of retaliatory tariffs on luxury cars exported to the United States based on Section 301 of the U.S. Trade Act is in violation of World Trade Organization (WTO) agreements. Europe, Asia, and Central and South America all support the Japanese position. Even without going before the WTO, it is evident that the United States has lost."

No one refuted this premise by saying "The United States is in the right." Indeed, some noted, "Right or wrong, there was no alternative to taking retaliatory measures in the present state of Japan-U.S. relations."

Matsunaga did not miss the hesitant expressions or bitter smiles. "When Americans say 'right or wrong,' it means that they are aware of their error: 'I know it was bad. But we had no other choice.' That is how Americans think."

Next fall's upcoming presidential election is very much an underlying factor in the deterioration of Japan-U.S. trade relations. Both the Democratic and Republican Parties stand to reap certain political benefits from a strong adversarial position against Japan. Criticizing retaliatory measures would lead to the loss of political points on the home front. With this in mind, Matsunaga advised the government that the current deterioration in relations should be dealt with as a political issue, rather than an economic one. The end result must be such that resentment not leave behind a lasting schism in the foundations of the Japan-U.S. alliance.

Matsunaga developed as a diplomat during the Cold War era. Any trade conflicts between the United States and Japan were always settled by some compromise in the end, based on the mutual understanding that the bilateral alliance must not be undermined. He entered the ministry in 1946, under the U.S. occupation. As a young administrator, he watched as the United States labored on behalf of his country to overcome European resistance to Japanese membership in GATT and the OECD.

"The Japan-U.S. relationship was once that of a very big brother with his little baby brother, but these days, the footing of the two has become considerably more equal. Some people would call it all ancient history; but when Japan was flat broke and starting over again, the United States gave tremendous assistance."

Flat Rejection: "No Passing Grade for Your Response"

However, the bureaucrats who have succeeded him at Kasumigaseki have begun to embrace quite a different outlook toward the United States. Says a senior official from one of the financial ministries, "Since the end of the Cold War, security and economy have become two altogether separate issues. There is a rising cry for Japan to negotiate issues of economics in a more 'businesslike' fashion. Members of the rising generation are more proficient in foreign languages and capable of negotiating with the Americans on an equal footing. They do not have an inferiority complex in regards to the United States."

The unceasing arguments with the United States in evidence during the auto trade talks reflected the spirit, "Who is afraid of the United States?" The general attitude was that there was no longer a need to accede to the unreasonable demands of the now self absorbed United States. There was a tendency to see the United States as "an older brother with some real problems."

Almost as if in support of this new mood, there came a series of personnel changes in Kasumigaseki this summer.

In the Ministry of Finance, Eisuke Sakakibara (age 54), who had left the front lines of the bureaucracy to become the director of the Institute of Fiscal and Monetary Policy, moved to assume a position as director general of the International Finance Bureau on 21 June. Sakakibara, in his books "Japan: Beyond Capitalism" and "Japanese Capitalism as an Expression of Civilization," has offered new looks at standing Japanese systems and has refuted U.S. criticisms of Japan. He is a daring man who, on the floor of framework talks last year, turned the U.S. proposals down flat, with, "I have taught at Harvard University; this response does not deserve a passing grade."

Sakakibara's appointment was met with surprise both inside and outside the ministry. It had been assumed that Isao Kubota (age 52), deputy director general of the International Finance Bureau, was the most likely candidate for promotion to this post, which directs international economic issues under the deputy vice minister for financial affairs. However, Kubota was named chief of the Customs and Tariff Bureau, and Sakakibara, who is not a stereotypical bureaucrat, was appointed to be the head of the International Finance Bureau. There are whispers that "the strong-willed Sakakibara was selected over the soft-spoken Kubota" in light of Japan-U.S. relations.

"People Who Stick Out" Given Key Positions

MOFA will also undergo some changes. In the series of reassignments made in August, Sadayuki Hayashi (age 57), the deputy vice minister of foreign affairs in charge of economic affairs, is due to assume a new post as administrative vice minister of foreign affairs. Traditionally, this position has been filled by the deputy vice minister of foreign affairs in charge of state affairs. This new appointment seems to indicate that the security treaty, long the foundation of Japan-U.S. relations, is of less importance in the aftermath of the Cold War, and economic issues have become more important. Ambassador to Vietnam Kazuo Ogura (age 56) will resume his position as deputy vice minister of foreign affairs in charge of economic affairs. While Ogura assigns great importance to the Japan-U.S. bilateral arrangements, he observes, "There is no need to follow the U.S. lead in Asian diplomatic initiatives. Japan should formulate an independent heading in Asian diplomacy." An unrestrained essay analyzing the underlying psychology of Japan-U.S. frictions was taken in the United States as "Anti-American dogma."

Political scientist Takashi Inoguchi (age 51), professor at the University of Tokyo, explains: "Public consensus overall is growing more confident, more nationalistic, and places greater emphasis on Asia. As public opinion has shifted in this direction, persons once considered 'too conspicuous' have come to assume important posts. This is quite natural."

Favorable winds also blow from the political arena. Ryutaro Hashimoto (age 57), minister of international trade and industry, steered a firm heading in the Japan-U.S. auto trade negotiations. Reportedly, he was hoping to win some points towards this fall's elections for Liberal Democratic Party (LDP) president by presenting a strong confrontational position. The traditional role of MOFA has always been to oversee the Ministry of International Trade and Industry (MITI) regarding Japan-U.S. trade relations. But Minister of Foreign Affairs Yohei Kono (age 58) gave Hashimoto unrestrained freedom so as not to antagonize his rival. Former LDP Secretary General Seiroku Kajiyama (age 69) announced his "Kajiyama vision" which places strong emphasis on Asia. The mood in Kasumigaseki and Nagatacho is being taken over by the spirit: "We do not have to obey everything the United States says."

The U.S. Government officials in charge of Japanese affairs appear cool on the surface, saying: "They may discuss placing emphasis on Asia and becoming independent from the United States, but exactly what policies do they have? This is just rhetoric." But the U.S. Congressional Research Office quickly wrote an analy-

sis that noted, "The new generation of bureaucrats which is prepared to confront the United States is steadily increasing in influence."

"Are You Sure You Do Not Need the U.S. Forces?"

On the morning of 15 June, in the second floor conference room of the U.S. Embassy in Tokyo, six Japanese reporters were invited to a conference with Joseph Nye (age 58), U.S. Department of Defense assistant undersecretary of defense, in Washington via a teleconferencing system.

"If Japanese public opinion changed and became 'We no longer need the United States forces,' the United States forces would be immediately pulled out. However, Japan and the United States have a shared interest in the stability of this region. The presence of the United States forces in Japan is in physical support of such stability."

Nye, a professor at Harvard University before he entered the administration, is a specialist on security issues. His true intentions are contained in the latter part

of his statement, stressing the importance of security. Discussions are underway between Japan and U.S. defense authorities over the Nye initiative on redefining security. This attempt in itself indicates that the state of the alliance itself is being reevaluated on both sides of the Pacific.

It has been five-and-a-half years since the United States and the Soviet Union declared the end of the Cold War at the Malta Summit. How will the United States, which has lost hegemony and is struggling to find a new leadership niche, and Japan, which has become a major power but is perplexed by its new role, view each other? A long, long era of soul searching has begun.

Upper House Election Results Reported

OW2307231095 Tokyo KYODO in English
2206 GMT 23 Jul 95

[FBIS Transcribed Text] Tokyo, July 24 KYODO — The following are the final results of Sunday's [24 July] House of Councillors election.

Parties	proportional seat won	district seat won	total seats won	seats up for election	seats not up for election
LDP	15	34	46 (4)	33	61
SDP	9	7	16 (4)	41	22
Shinshinto	18	22	40 (7)	19	16
Komei	-	-	-	1	11
JCP	5	3	8 (3)	5	6
DRP	-	2	2 (1)	8	0
Citizen Peace	0	1	1	3	1
NIIN	1	-	1	1	1
Sports	0	-	0	1	1
Sakigake	2	1	3 (1)	1	0
Other parties	0	0	0	3	1
Independents	-	6	6 (1)	8	6
Vacancies	-	-	-	2	0
Total	50	76	125 (21)	126	126

Figures in () indicate number of women. Notes: The LDP is the Liberal Democratic Party, the SDP is the Social Democratic Party and the JCP is the Japanese Communist Party. The LDP had initially captured 31 district seats but added three victorious independents it recognized as its members.

Proportional Representation Results

OW2307151595 Tokyo KYODO in English
1442 GMT 23 Jul 95

[FBIS Transcribed Text] Tokyo, July 23 KYODO — Tally of votes won by parties in House of Councillors election in proportional representation sector of poll as of 10:55 P.M. [1355 GMT] Sunday [23 July].

Parties	number of votes	share (percent)	share in 1992 (percent)
LDP	3,021,410	30.43	33.29
SDP	1,763,176	17.76	17.76
Shinshinto	3,954,285	30.76	—
JCP	906,267	9.13	7.86
Citizen Peace	69,115	0.70	—
NIIN	259,825	2.62	2.94
Sports	113,713	1.15	3.06
Sakigake	313,131	3.15	—
Other Parties	429,614	4.30	35.09
Total	10,830,536	100.00	100.00

Notes: The LDP is the Liberal Democratic Party, the SDP [SDPJ] the Social Democratic Party, and the JCP the Japanese Communist Party.

NFP Wins Last Proportional Seat

OW2407020495 Tokyo KYODO in English
2320 GMT 23 Jul 95

[FBIS Transcribed Text] Tokyo, July 24 KYODO — The primary opposition Shinshinto (New Frontier Party [NFP]) grabbed the last remaining seat of the proportional representation area of Sunday's [23 July] House of Councillors election, setting the final results of the upper house poll.

Tomoichi Hoshino won the 50th seat up for proportional representation in the election.

Of the 126 seats, half of the 252 seats of the upper chamber, up for grabs, 76 were contested under prefectural constituencies and 50 were chosen through proportional representation.

Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) [Social Democratic Party of Japan — SDPJ] garnered a total of 16 seats, while Foreign Minister Yohei Kono's Liberal Democratic Party (LDP) won 46. Finance Minister Masayoshi Takemura's New Party Sakigake [Harbinger] got three.

The LDP added three victorious independents it recognized as its members from local constituencies, thus bringing its strength to 49.

The combined seats of the three ruling coalition parties stood at 68. The figure, however, was fewer than the 75 contested seats of the three parties.

Combined with uncontested seats, the coalition held onto 141 seats to maintain a majority in the upper house.

Shinshinto won 40 seats, bringing its entire strength in the upper chamber to 56.

The Japanese Communist Party garnered 8.

Three other parties won four seats and independents grabbed six.

Voter turnout plummeted to a record low of 44.52 percent, far below the previous record of 50.07 percent posted in 1992, according to the Home Affairs Ministry.

Naamelist of Winners

OW2407012095 Tokyo KYODO in English
2247 GMT 23 Jul 95

[FBIS Transcribed Text] Tokyo, July 24 KYODO — The following is a list of winners in Sunday's [23 July] House of Councillors election.

(LDP denotes the Liberal Democratic Party, SDP the Social Democratic Party [SDPJ — Social Democratic Party of Japan], Sakigake [Harbinger] New Party Sakigake, Shinshinto (New Frontier Party) and JCP the Japanese Communist Party) Prefectural Districts

(Hokkaido)
Hisamitsu Sugano (SDP)
Katsuya Ogawa (Shinshinto)
(Aomori)
Tutomu Yamazaki (Shinshinto)
(Iwate)
Yoshinori Takahashi (Shinshinto)
(Miyagi)
Ichiro Ichikawa (Independent)
Hiroaki Kameya (LDP)
(Akita)
Katsutoshi Kaneda (LDP)
(Yamagata)
Masatoshi Abe (Independent)
(Fukushima)
Toyoaki Ota (LDP)
Hiroko Wada (Shinshinto)
(Ibaraki)
Yasu Kano (LDP)
Moto Kobayashi (Shinshinto)
(Tochigi)

Junzo Iwasaki (LDP)
 Masayuki Kunii (Democratic Reform Party)
 (Gunma)
 Ichita Yamamoto (LDP)
 Giichi Tsunoda (SDP)
 (Saitama)
 Hiroshi Takano (Shinshinto)
 Taizo Sato (LDP)
 Sachiyo Abe (JCP)
 (Chiba)
 Hiroyuki Kurata (LDP)
 Ryozo Iwase (Shinshinto)
 (Tokyo)
 Yuichiro Uozumi (Shinshinto)
 Sanzo Hosaka (LDP)
 Hideo Den (Citizen Peace)
 Yasuo Ogata (JCP)
 (Kanagawa)
 Akira Matsu (Shinshinto)
 Kiyoharu Ishiwata (LDP)
 Tsuyoshi Saito (SDP)
 (Niigata)
 Yoshio Yoshikawa (LDP)
 Michio Hasegawa (Shinshinto)
 (Toyama)
 Yasumasa Kakuma (LDP)
 (Ishikawa)
 Hiroshi Hase (Independent)
 (Fukui)
 Ryuji Matsumura (LDP)
 (Yamanashi)
 Mahito Nakajima (LDP)
 (Nagano)
 Mineo Koyama (Shinshinto)
 Maki Murasawa (SDP)
 (Gifu)
 Akira Ono (LDP)
 Kenji Hirata (Shinshinto)
 (Shizuoka)
 Yutaka Takeyama (LDP)
 Masataka Suzuki (Shinshinto)
 (Aichi)
 Tamotsu Yamamoto (Shinshinto)
 Makiko Suehiro (Independent)
 Seiji Suzuki (LDP)
 (Mie)
 Koichi Hirata (Independent)
 (Shiga)
 Tenzo Okumura (Sakigake)
 (Kyoto)
 Yoshihiro Nishida (LDP)
 Teiko Sasano (Democratic Reform Party)
 (Osaka)
 Kazuyoshi Shirahama (Shinshinto)

Shuzen Tanigawa (LDP)
 Yoshiki Yamashita (JCP)
 (Hyogo)
 Ichiji Ishii (Shinshinto)
 Yoshitada Konoike (LDP)
 (Nara)
 Yukihisa Yoshida (Shinshinto)
 (Wakayama)
 Masataka Seko (LDP)
 (Tottori)
 Takayoshi Tsuneda (Independent)
 (Shimane)
 Shuntaro Kageyama (LDP)
 (Okayama)
 Toranosuke Katayama (LDP)
 Mie Ishida (Shinshinto)
 (Hiroshima)
 Kensei Mizote (LDP)
 Kenji Sugekawa (Shinshinto)
 (Yamaguchi)
 Yoshimasa Hayashi (LDP)
 (Tokushima)
 Shuji Kitaoka (LDP)
 (Kagawa)
 Kenji Manabe (LDP)
 (Ehime)
 Yasuhisa Shiozaki (LDP)
 (Kochi)
 Kohei Tamura (Independent)
 (Fukuoka)
 Kentaro Koba (Shinshinto)
 Shigeko Mieno (SDP)
 (Saga)
 Takao Jinnouchi (LDP)
 (Nagasaki)
 Tadashi Taura (Shinshinto)
 (Kumamoto)
 Kazumi Miura (Independent)
 Kiyoshi Asoda (Shinshinto)
 (Oita)
 Keigi Kajiwarra (SDP)
 (Miyazaki)
 Motoi Nagamine (LDP)
 (Kagoshima)
 Kaname Kamada (LDP)
 Wataru Kubo (SDP)
 (Okinawa)
 Kantoku Teruya (Independent) Proportional Representation
 (LDP)
 Keizo Takemi
 Yutaka Okano
 So Nakahara
 Morishige Naruse

Michiko Ishii
Hidehisa Otsuji
Kayoko Shimizu
Hiroshi Ishikawa
Tomoharu Yoda
Ryotaro Sudo
Kunishige Kamamoto
Takao Koyama
Seiko Hashimoto
Yoshihiko Ebihara
Kuniomi Iwai
(SDP)
Kiyoko Kusakabe
Tatsuro Matsumae
Tadao Maekawa
Toshihiro Asahi
Yasuko Takemura
Mototaka Ito
Takashi Tanimoto
Sumiko Shimuzu
Hisashi Kanno
(Sakigake)
Seiichi Mizuno
Akiko Domoto
(Shinshinto)
Reiko Omori
Chikage Ogi
Yosuke Masuda
Akihisa Terasaki
Shuichi Kato
Hideaki Tamura
Yutaka Mizushima
Yoshitaka Umino
Ryohei Adachi
Kumi Tajima
Yamato Kogure
Junichi Fukumoto
Tatsuo Tomobe
Akira Imaizumi
Takao Watanabe
Kei Hata
Kuniji Toda
Tomoichi Hoshino
(JCP)
Atsushi Hashimoto
Haruko Yoshikawa
Miyako Sudo
Akira Kasai
Hideyo Fudesaka
(Niin Club)
Michio Sato

SDPJ's Performance in Poll

OW2307153095 Tokyo KYODO in English
1517 GMT 23 Jul 95

[FBIS Transcribed Text] Tokyo, July 23 KYODO — Prime Minister Tomiichi Murayama's ruling Social Democratic Party (SDP) [of Japan] failed to win 20 seats — the party's record low in the 1986 upper house polls — in Sunday's House of Councillors election, falling below a 22-seat target.

But SDP Secretary General Wataru Kubo and Keizo Obuchi, vice president of the main coalition Liberal Democratic Party, said Sunday night the ruling camp should keep on going with Murayama as premier.

The SDP took seven of the 76 prefectural constituency seats up for election this time, according to KYODO NEWS SERVICE estimates.

As vote counting continued, the SDP was assured of winning at least six seats from the 50 proportional representation seats.

Forty-one SDP seats are up for election in the polls, and the party is putting up 40 candidates, 22 in prefectural constituencies and 18 through proportional representation.

The SDP took 22 seats three years ago, and 46 seats six years ago following public criticism of the Liberal Democratic Party, which ruled Japanese politics for 38 years up to the summer of 1993.

A total of 126 seats, half the 252 seats in the upper house, are being elected in the first national polls since the Murayama government took the helm in June 1994, of which 76 are in 47 prefectural districts and the remaining 50 via proportional representation.

Kubo, who won in the Kagoshima prefectural constituency, told Japan Broadcasting Corp. (NHK) that his party is having a tough time in the election.

LDP Fares 'Worse Than Expected'

OW2307143595 Tokyo KYODO in English
1427 GMT 23 Jul 95

[FBIS Transcribed Text] Tokyo, July 23 KYODO — The Liberal Democratic Party (LDP), the dominant group in the three-party ruling coalition, fared far worse than expected in Sunday's [23 July] House of Councillors election.

LDP President Yohei Kono said in a nationwide televised interview that the party's candidates had campaigned well.

"I think the three ruling parties can secure a majority of the (126) seats that were contested this time," Kono said.

Asked about the relatively good performance by the largest opposition party, Shinshinto (New Frontier Party), in the proportional representation, Kono said it must be due to the poor voter turnout and Shinshinto's well organized local bodies.

The LDP had aimed to secure more than 55 seats in the election compared with 33 seats that the party held going into the polls.

The LDP fared badly in the 1989 upper house poll, winning only 36 seats, because of the imposition of the unpopular consumption tax. It won 67 seats in the last upper house election in 1992.

The LDP this time fielded 66 candidates — 37 for prefectural districts and 29 for proportional representation.

As of 11 P.M. [1400 GMT], the LDP had captured 45 seats.

In the 252-member upper house, the LDP had held 93 seats prior to the poll, 60 seats of which were not up for grabs this time.

Among winning LDP candidates in Sunday's election were soccer star Kunishige Kamamoto and Olympic speed skater Seiko Hashimoto. In addition, independent Hiroshi Hase, a 34-year-old professional wrestler from Ishikawa Prefecture, won a seat with the LDP's backing.

The election is important in its consequences for the LDP, which is in a good position to supply the next prime minister if Tomiichi Murayama of the Social Democratic Party resigns due to poor election results.

A strong performance could have bolstered the prospects of Foreign Minister Yohei Kono to retain his job as president of the LDP, putting him in a strong position to become the next prime minister, political analysts said.

The LDP presidential election will be held in fall and Ryutaro Hashimoto, minister of international trade and industry, may challenge the incumbent Kono, they said.

JCP Retaining Five Seats

*OW2307152295 Tokyo KYODO in English
1437 GMT 23 Jul 95*

[FBIS Transcribed Text] Tokyo, July 23 KYODO — The opposition Japanese Communist Party (JCP) has secured five seats in Sunday's House of Councillors poll, the same number it had up for reelection, according to KYODO NEWS SERVICE projections.

Two JCP incumbents, Atsushi Hashimoto and Haruko Yoshikawa, won under proportional representation and three candidates won in prefectural constituencies.

Yasuo Ogata, head of the party's International Affairs Division, won in the Tokyo constituency, while Yoshiki Yamashita won in Osaka and Sachiyo Abe in Saitama Prefecture. It was the first time the party had won a seat in Osaka Prefecture in nine years.

Tetsuzo Fuwa, the JCP's Presidium chairman, said in a television interview with Japan Broadcasting Corp. (NHK) that the party has a good chance of taking more than five seats.

Kazuo Shii, the JCP's chief of Secretariat, said the party has gained considerable support from voters who are not affiliated to any particular party.

The JCP has criticized other parties both in the ruling and opposition camps for promoting similar policies that the communists said would not benefit the Japanese people.

The party is fielding 72 candidates, one in each of the 47 prefectural constituencies and 25 under proportional representation. The party won six seats three years ago and five seats six years ago.

Voters will elect 126 members, half of the 252 seats in the second chamber, with 76 elected from prefectural constituencies and 50 through proportional representation.

Sakigake's Only Incumbent Reelected

*OW2307171695 Tokyo KYODO in English
1709 GMT 23 Jul 95*

[FBIS Transcribed Text] Tokyo, July 23 KYODO — Akiko Domoto, the only incumbent in the House of Councillors of the ruling coalition's minor partner New Party Sakigake survived Sunday's election for a second six-year term.

Domoto, 62, was put in second place on Sakigake's proportional representation list.

She was first elected an upper house lawmaker in 1989 on the ticket of the Social Democratic Party (SDP) [of Japan, SDPJ], persuaded by then SDP Chairwoman Takako Doi, who currently serves as speaker of the House of Representatives.

Domoto, however, left the party in January, saying she could not see where the SDP was going, and joined Sakigake.

She was known for a series of reports in early 1980s, when she worked as a television director at Tokyo

Broadcasting System Inc., on unauthorized nurseries to cover the public nursing system that was insufficient for working mothers.

Key DRP Members Lose Seats

OW2307135495 Tokyo KYODO in English
1341 GMT 23 Jul 95

[FBIS Transcribed Text] Tokyo, July 23 KYODO — The candidates of the Democratic Reform Party (DRP) appear to be substantially losing the seats they won six years ago in Sunday's [23 July] House of Councillors election.

In Yamanashi prefectural constituency, west of Tokyo, Osamu Isomura, 64, the party head, failed to retain his seat.

Also, Osamu Ikeda, 63, secretary general of the DRP, lost his seat in single-seat Ehime prefectural constituency in western Japan, as he was defeated by a Liberal Democratic Party candidate.

Both men won the 1989 upper house election as candidates of Rengo no Kai, backed by the country's largest labor group, the Japanese Trade Union Confederation (Rengo).

Soon after the 1989 upper house election, Rengo no Kai changed its name to Rengo Sangiin, which evolved into the DRP.

Voter Turnout 'Low' in Election

OW2307051895 Tokyo KYODO in English
0500 GMT 23 Jul 95

[FBIS Transcribed Text] Tokyo, July 23 KYODO — Japanese voters went to the polls Sunday [23 July] to fill half of the 252-seat House of Councillors and determine the future of Prime Minister Tomiichi Murayama's one-year-old three-way coalition government but early turnout was lagging behind a record-low pace in the previous election three years ago.

Polling stations opened at 7 a.m. and will close at 6 p.m. The tabulation of votes will start shortly after ballots close across the country.

The Home Affairs Ministry estimated nationwide voter turnout at 16.31 percent as of 11 a.m., 4.12 percentage points below the previous midday pace of 20.43 percent in 1992.

Attention is focused on whether Murayama, 71, can remain on board after the 17th upper house election in which his Social Democratic Party (SDP) [Social Democratic Party of Japan — SDPJ] is expected to face an uphill battle.

People who do not identify with any political party may swing the race as they did in the unified local elections in April.

The SDP's anticipated loss of seats is partly due to the tie-up in June 1994 with its longtime archrival, Foreign Minister Yohei Kono's Liberal Democratic Party (LDP), and an ensuing series of about-face moves on key policies such as defense and national security.

Depending on the number of seats the SDP captures, Murayama may be forced to step down as party chairman and prime minister. His departure could lead to the disintegration of the tripartite coalition, which also includes Finance Minister Masayoshi Takemura's New Party Sakigake [Harbinger].

With 567 candidates vying for 126 seats, Sunday's upper house race is the first national election since Murayama's ascent to power about a year ago.

Elections for the second chamber are held every three years as half of its seats are vacated by legislators completing a fixed six-year term.

To be filled in the triennial election are 50 seats in the national constituency under a proportional representation system and 76 others in 47 prefectural districts.

Murayama has said the coalition wants to win at least 75 seats, matching the number of outgoing coalition lawmakers in the upper house.

In an apparent attempt to maintain the Murayama administration, however, some senior LDP leaders have said that 64 seats, or a simple majority of the 126 seats up for election, would be enough.

Indications are that the coalition will fall short of the 75-seat target chiefly because of the SDP's expected setback.

The main opposition Shinshinto (New Frontier Party) is likely to make advances at the expense of the SDP. This is Shinshinto's first national-level election since its inauguration last December.

As the LDP and the SDP hold 83 uncontested seats between them in the upper chamber, the chances of the opposition camp capturing a majority are slim.

A total of 97.32 million people are eligible to vote in Sunday's poll, up 4 percent from the previous upper house election in July 1992. The number breaks down into 47.27 million men and 50.05 million women.

The election results will start to become clear at around 9:45 p.m. and the final table of winners will be recognized by 5 a.m. Monday.

Due to a lack of major campaign issues, voter turnout is likely to sink below the 50 percent mark to its lowest level ever, according to KYODO NEWS SERVICE's preelection survey. The previous low was the 50.7 percent posted in 1992.

Murayama on Election Results

OW2407033095 Tokyo NHK General Television Network in Japanese 0132 GMT 24 Jul 95

[Statement by Prime Minister Tomiichi Murayama at a news conference with unidentified correspondents at SDPJ headquarters in Tokyo — live]

[FBIS Translated Text] Good morning, everyone. In the just-concluded House of Councillors election, our party was not able to accomplish its original target — to win the number of seats we won in the election six years ago. This is indeed unfortunate. Voter turnout was also the lowest since World War II. We take these electoral results seriously.

However, the Social Democratic Party of Japan [SDPJ] had realized from the beginning that it would be a tough fight for the party, and party members and supporters all over the country exerted their utmost efforts to obtain as many seats as possible in both the electoral and proportional representation constituencies. I express my sincere gratitude to them.

The three ruling parties have been able to win a majority of the upper house seats being contested. Combining those with the seats that were not up for election, we control 60 percent of the upper house. Therefore, after a meeting of the heads and secretaries general of the three parties last night, we decided that the three parties will continue to take charge of the administration and strive to meet the people's expectations.

The Murayama administration will seriously reflect on the results of the election, recognizing that it is impermissible to have a political vacuum even for a single minute, due to the need to deal with economic stimulation and other urgent issues. We are determined to exert our utmost efforts to work on the urgent major policies formulated by the three ruling parties, such as those on emergency yen appreciation measures and economic and administrative reforms.

On the other hand, the urgent task for the SDPJ is to be conscious of its responsibilities as a ruling party. We are determined to exert all possible efforts to build a new party [atarashii tozokuri] that can meet the people's expectations, to restore trust in party politics.

This ends my comments on the results of the election.

Murayama Discusses Election Results

OW2407054295 Tokyo NHK General Television Network in Japanese 0135 GMT 24 Jul 95

[Question-and-answer session at news conference held by Prime Minister Tomiichi Murayama with unidentified reporters at SDPJ headquarters in Tokyo on the morning of 24 July, moderated by the dean of the Social Democratic Party of Japan Press Club — live]

[FBIS Translated Text] [Dean] The dean of the Social Democratic Party of Japan [SDPJ] Press Club would like to ask three or four questions, and then other press agencies will be allowed to ask additional questions if there is some time left. The first question may somewhat overlap with your statement. In the upper house election, the three coalition parties barely maintained a majority of the 126 seats up for election. But they failed to reach their goal of obtaining 75 seats. As the top leader of the coalition government, what is your perception of the public judgment? What do you think about your responsibility as prime minister?

[Murayama] The turnout of voters was at the worst level of the postwar period. In a sense, I think this indicates the public's distrust of politicians. As the political leader, I must take this very seriously. The election was very difficult for the SDPJ, but we tried our best to survive in a life-or-death situation. I think we survived on the very edge of a precipice. For that reason, I think my duty is to grapple with such urgent tasks as economic policy and political reform. I seriously believe I should not create a political vacuum right now. As the coalition won the majority by just a narrow margin, I have decided to comply with public expectations.

[Dean] Mr. Prime Minister, please let me ask about your responsibility as SDPJ chairman. You have been saying the target of the SDPJ was to win 22 seats, but the SDPJ seats remained at 16, the worst election result for the party. Previous SDPJ chairpersons took responsibility when they lost in elections. What is your responsibility as SDPJ chairman, and how about SDPJ Secretary General Wataru Kubo, the top campaign manager?

[Murayama] I actually sought 22 seats according to the result of the 1992 election, calling for cooperation from party members and voters to achieve that objective; however, the SDPJ had to conduct election campaigns under very difficult circumstances. Taking this into account, I think our party barely maintained the necessary strength, and from now on we should try our best to comply with public expectations. Therefore the SDPJ has determined to renovate itself; and, in line with this policy, the party executives should carry out the renovation under the leadership of the secretary general.

[Dean] Please let me ask about the cabinet reshuffle. It has often been said that the cabinet may be reshuffled following the upper house election or after the Liberal Democratic Party (LDP) presidential election in September. When and to what extent should the cabinet be reshuffled? Do you think the heads of the coalition parties should remain in the cabinet? How will Labor Minister Manso Hamamoto be treated in the cabinet?

[Murayama] Since each member of the coalition has an opinion on the cabinet reshuffle, it should be determined after adequate consultation with LDP President Yohei Kono and Sakigake's [Harbinger] Masayoshi Takemura. Labor Minister Hamamoto has retired from the upper house, and his treatment will be also determined in discussions with other parties.

[Dean] What is your plan to carry out the SDPJ's party renovation program? And what is your stance toward the dissolution of the lower house and general elections?

[Murayama] As I briefly mentioned, the SDPJ's renovation program was definitely designed at the party's national convention, and the party leadership will carry it out in line with the party's decision. Regarding the lower house dissolution, I currently have no such plan.

[Dean] Members of the SDPJ Press Club and the Cabinet Press Club, please.

[Reporter] You have said the cabinet reshuffle should be determined in consultation with Mr. Kono and Mr. Takemura. But as SDPJ chairman, what is your own stand on the cabinet reshuffle issue?

[Murayama] As I have just said, that is an issue for the three-party coalition to decide. My position is to determine my course of action in consultation with LDP President Kono and Sakigake Representative Takemura.

[Reporter] There is a report that you expressed your intention to resign as prime minister at a meeting of the heads of the three parties last night. Is it true?

[Murayama] Of course, various opinions were expressed because the meeting was held after such a tough election. But we came to the conclusion I talked about earlier, and I am resolved anew to get through this difficulty and make efforts to meet the people's expectations.

[Reporter] Regarding the party's plan to form a new party, you said you want the party executives to come to grips with the plan. Do you mean by this that the executives are the current members?

[Murayama] In any case, since the plan to form a new party and promote it was adopted at the party convention, there will be no change in our plan, and

it is the executive committee's responsibility to proceed with the plan to form a new party.

[Reporter] You said earlier you take seriously the fact that the turnout of voters was at its lowest level in the postwar period. As a result, there seems to be a prevailing view within the coalition parties that the low turnout led to the advance of the New Frontier Party (NFP), supported by Soka Gakkai [a Buddhist sect], which has strong bloc votes. How do you take this view, and how do you plan to change the situation when the turnout of voters is low?

[Murayama] Well, I think there are many opinions on the low turnout of voters. But I think it is necessary for each party to hammer out its own policies that clearly differ from those of other parties and can provide voters with many choices, so that voters will feel closer to politics. In a broad sense, parliamentary democracy loses its significance if it loses the people's trust and support. So I think our party needs to sum up fully the current situation while searching our souls over the election results.

[Reporter] You did not answer the question earlier as to the party general secretary's responsibility. Do you think it is unnecessary to call on the general secretary to take responsibility because the party got a minimum of seats?

[Murayama] Yes, it is.

[Dean] Now it is time to close the news conference.

[Murayama] Thank you very much.

Coalition Leaders Urge Murayama Stay in Office

OW2307150395 Tokyo KYODO in English
1452 GMT 23 Jul 95

[FBIS Transcribed Text] Tokyo, July 23 KYODO — Prime Minister Tomiichi Murayama should remain in office despite the poor showing of his Social Democratic Party (SDP) [of Japan, SDPJ] in the House of Councillors election, leaders of the governing coalition said Sunday [23 July].

"The Murayama administration should be maintained," SDP Secretary General Wataru Kubo told a news conference.

It is certain that the SDP cannot win 20 seats, the party's record low posted in the 1986 upper house election, returns show.

The SDP had sought to win at least 22 of the 126 seats up for grabs in the second chamber race.

Another coalition leader echoed Kubo's view, saying Murayama should stay on as prime minister in the face of his party's setback.

Keizo Obuchi, vice president of the Liberal Democratic Party (LDP), the dominant force in the ruling alliance, said the Murayama government should remain in power because the coalition holds a majority both in the House of Representatives and in the upper house.

"Is it appropriate for a change of government to take place at a time when there are numerous tasks to be tackled?" he questioned.

In contrast to the SDP's and the entire coalition's showing, the main opposition Shinshinto (New Frontier Party) made big advances on the strength of its strong organizational power.

LDP Secretary General Yoshiro Mori also predicted that Murayama will remain on board despite the SDP's loss of seats in Sunday's upper house election.

"I don't think there is any problem" about maintaining the current coalition's framework, he said.

The three-party coalition, which also includes Finance Minister Masayoshi Takemura's New Party Sakigake, was formed in June 1994.

Touching on the LDP's performance in the polls, Mori said, "Considering the low voter turnout rate, it can be called a good fight."

Muraya Agrees To Remain

OW2307173995 Tokyo KYODO in English
1729 GMT 23 Jul 95

[FBIS Transcribed Text] Tokyo, July 23 KYODO — Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) took only 16 seats in Sunday's House of Councillors election, falling below the party's record low of 20 seats in the 1986 upper house polls as well as the 22-seat target set by the party.

The tripartite ruling coalition, however, agreed early Monday that Murayama will carry on as premier, said SDP Secretary General Wataru Kubo and Yoshiro Mori, secretary general of the Liberal Democratic Party, the main coalition force.

Chief Cabinet Secretary Kozo Igarashi, the top government spokesman who also is a senior SDP member, said Murayama accepted the coalition's decision.

The SDP took seven of the 76 prefectural constituency seats up for election this time and nine of the 50 proportional representation seats.

The party was beaten by the main opposition Shinshinto (New Frontier Party) in many two-seat constituencies

and failed to take a seat in most of the single-seat constituencies.

The smallest number of constituency seats won by the SDP was 11 in 1986.

Forty-one SDP seats were up for election in the poll, and the party put up 40 candidates, 22 in prefectural constituencies and 18 through proportional representation.

The SDP took 22 seats three years ago, and 46 seats six years ago following public criticism of the LDP, which ruled Japanese politics for 38 years up to the summer of 1993.

A total of 126 seats, half the 252 seats in the upper house, were being elected in the first national poll since the Murayama government was established in June 1994, of which 76 were in 47 prefectural districts and the remaining 50 via proportional representation.

Ozawa Urges Murayama To Step Down

OW2307153995 Tokyo KYODO in English
1534 GMT 23 Jul 95

[FBIS Transcribed Text] Tokyo, July 23 KYODO — Ichiro Ozawa, secretary general and de facto leader of the main opposition Shinshinto (New Frontier Party), urged Prime Minister Tomiichi Murayama on Sunday to step down or hold a general election.

"If (the Murayama government) has not met people's expectations, he should either pass power to us or ask for the people's judgment," Ozawa told a press conference after Sunday's House of Councillors poll.

On the relatively poor performances of Murayama's Social Democratic Party (SDP) [of Japan, SDPJ] and its ruling partner, the Liberal Democratic Party (SDP), Ozawa said he "judges they have not gained the full trust of the people."

Ozawa expressed determination to prepare for the next general election, saying, "I want to start preparations tomorrow so that we can deal with the election whenever it is held."

Asked about the record low vote turnout, which the LDP and the SDP thought the main reason for Shinshinto's advance, Ozawa said, "recent politics have not met people's expectations, so we all have a common responsibility."

Shinshinto is expected to double the number of its upper house seats being contested in the election to 38, while the SDP and the LDP failed to secure their targeted number.

For Shinshinto, the poll is the first nationwide election since its creation last December through a merger of nine noncommunist opposition parties, including Shinseito (Japan Renewal Party), Komeito, the Democratic Socialist Party and Japan New Party.

Kaifu Criticizes Murayama

OW2407042495 Tokyo KYODO in English
0405 GMT 24 Jul 95

[FBIS Transcribed Text] Tokyo, July 24 KYODO — Toshiki Kaifu, president of the major opposition Shinshinto (New Frontier Party [NFP]) on Monday [24 July] criticized the ruling coalition's decision to stay in power despite a setback in Sunday's House of Councillors election.

"I cannot understand the head of a party which has seen a major reduction in its number of seats deciding to stay on as prime minister, and (other coalition partners) supporting him," Kaifu told reporters.

Confident because his party more than doubled the number of seats it held before the election, Kaifu said, "Shinshinto will wage a fight against the Murayama cabinet."

The former premier urged Prime Minister Tomiichi Murayama to step down and call a general election.

"Without fear, we must stand up for a general election," Kaifu said.

Sunday's poll was the first nationwide election for Shinshinto since its creation last December through a merger of nine opposition parties, including Shinseito (Japan Renewal Party), Komeito, the Democratic Socialist Party and Japan New Party.

Shinshinto, led by de facto chief Ichiro Ozawa, fielded 62 candidates. It aimed at doubling the 19 seats it had before the election and won 40 seats, bringing its strength in the upper house to 56.

As for the ruling coalition, Murayama's Social Democratic Party [Social Democratic Party of Japan] suffered a setback by grabbing only 16 seats, while the Liberal Democratic Party won 46 seats and new party sakigake got three seats.

In the more powerful 511-seat House of Representatives or lower house, Shinshinto holds 171 seats against the tripartite coalition's overwhelming majority of 293 seats.

LDP Leadership Likely To Come Under Pressure

OW2307165895 Tokyo KYODO in English
1643 GMT 23 Jul 95

[FBIS Transcribed Text] Tokyo, July 23 KYODO — The leadership of the ruling coalition's Liberal Democratic Party (LDP) is likely to come under pressure to take responsibility for the party's showing in the House of Councillors election Sunday, party sources said.

The LDP's failure to win a targeted 55 seats, despite the leadership's insistence that the party mounted a good campaign, is thought by some party members as reason enough to reshuffle the top officials.

LDP Secretary General Yoshiro Mori told a news conference that leaders of the three ruling parties, including Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) [of Japan, SDPJ], will hold a summit meeting at 11:30 A.M. [0230 GMT 24 July] Monday.

The summit meeting will be also attended by LDP President and Foreign Minister Yohei Kono and New Party Sakigake chief Masayoshi Takemura, who is also finance minister.

Former Foreign Minister Michio Watanabe told reporters that Kono "should judge himself (about his responsibility) before the others say something."

Kono, whose term as LDP president will expire at the end of September, admitted that the major opposition party Shinshinto (New Frontier Party) made big gains in the proportional representation seats at stake in the election.

Mori said the election results will not pose any problem for the framework of the current ruling coalition of the LDP, the SDP and New Party Sakigake.

Kono said in a nationwide televised interview that the party's candidates had campaigned well.

"I think the three ruling parties can secure a majority of the (126) seats that were contested this time," Kono said.

Asked about the relatively good performance by the largest opposition party, Shinshinto (New Frontier Party), in the proportional representation, Kono said it must be due to the poor voter turnout and Shinshinto's well organized local bodies.

The LDP had aimed to secure more than 55 seats in the election compared with 33 seats that the party held going into the polls.

The LDP fared badly in the 1989 upper house poll, winning only 36 seats, because of the imposition of the

unpopular consumption tax. It won 67 seats in the last upper house election in 1992.

The LDP this time fielded 66 candidates — 37 for prefectural districts and 29 for proportional representation.

As of midnight, the LDP had captured 46 seats.

In the 252-member upper house, the LDP had held 93 seats prior to the poll, 60 seats of which were not up for grabs this time.

The LDP presidential election will be held in fall and Ryutaro Hashimoto, minister of international trade and industry, may challenge the incumbent Kono.

Coalition Setback May Herald Cabinet Reshuffle

OW2307174995 Tokyo KYODO in English
1723 GMT 23 Jul 95

[FBIS Transcribed Text] Tokyo, July 24 KYODO — Prime Minister Tomiichi Murayama appears likely continue in office despite his year-old coalition's setback in Sunday's House of Councillors election.

Murayama's Social Democratic Party (SDP) [of Japan] fell short of its target of 22 of the 126 seats up for grabs in the first national poll since his unexpected rise to power in June 1994.

The tripartite coalition also includes the conservative Liberal Democratic Party (LDP) led by Deputy Prime Minister and Foreign Minister Yohei Kono and New Party Sakigake headed by Finance Minister Masayoshi Takemura.

After emerging from a meeting with Murayama and other coalition leaders, Kono told reporters that Murayama will stay on.

Murayama is expected to announce his intention to hold on to his job in a news conference scheduled for Monday morning at SDP headquarters in Tokyo.

After his 10:30 A.M. [0130 GMT 24 July] news conference, Murayama will hold a summit meeting with Kono and Takemura at 11:30 a.m., LDP Secretary General Yoshiro Mori said.

The coalition just managed to win 64 seats, or a simple majority of the contested seats. This was the governing alliance's de facto target, though Murayama had said the coalition should clinch at least 75 seats in the upper house race.

In contrast, the main opposition Shinshinto (New Frontier Party) scored a sweeping victory in its first full national election since its inauguration last December through a merger of nine noncommunist forces.

As of 2 A.M. [1700 GMT] Monday, 46 LDP candidates had been declared winners, while Shinshinto had won 39 seats, double the number of its seats at stake, according to the public television network NHK.

The SDP lost particularly heavily, capturing only 16 seats — below the party's record low of 20 registered in the 1986 upper house contest.

But this has not caused any commotion over the question of whether Murayama should resign as party chairman and prime minister because the real turning point was thought to be 15 seats.

Even Wataru Kubo, the SDP's No. 2 man, who had been somewhat critical of Murayama, threw his support behind the SDP chief at a news conference, saying, "The Murayama administration should be maintained."

It is widely believed the SDP's poor showing is due to its linking up in June last year with its Cold War era foe, the LDP, and ensuing reversals on key policies such as defense and national security.

Shinshinto will probably urge Murayama to dissolve the more important House of Representatives for a general election at an early date.

"This is a manifestation that the people are beginning to feel the need for drastic reform," Shinshinto Secretary General Ichiro Ozawa said of the largest opposition party's strong showing in the second chamber election.

Shinshinto's advance is in part attributable to its solid organizational strength, supported by followers of the major lay Buddhist group Soka Gakkai.

Japanese Communist Party (JCP) Presidium Chairman Tetsuzo Fuwa told reporters that Murayama should step down in the face of the dismal election results for the SDP and the coalition.

Voter turnout is forecast to be a record low. KYODO NEWS SERVICE projected final turnout at 44.52 percent, sharply down from the previous low of 50.72 percent in 1992.

To solicit votes from people with no favorite political party, major parties fielded celebrity candidates, with good results in some cases.

The successful celebrity contestants include cyclist and speed skater Seiko Hashimoto, retired soccer player Kunishige Kamamoto, both from the LDP, and Akira Matsu and Kumi Tajima of the "Takarazuka" all-women's opera from Shinshinto.

The JCP won eight seats, two more than the six it had at stake, whereas Sakigake fared poorly with only two seats, compared with its target of five.

Now that Murayama is certain to continue serving as premier, the next question is when he will reshuffle his cabinet in order to bolster his leadership within the coalition.

Political sources said there are calls for a cabinet reshuffle in early August so as to stabilize the political situation as quickly as possible and come in time for the preparation of the national budget for fiscal 1996, which will start next April 1.

Elections for the 252-seat upper house take place every three years as half of its seats are vacated by legislators serving out a fixed six-year term.

In the triennial election, voters were to choose 50 seats via the proportional representation system from a field of 181 candidates from 23 parties and groups.

The number of candidates for the national constituency was the smallest since 1983, when the proportional representation method was introduced for upper house polls.

Also, the number of parties vying in the national voting districts was the second smallest since 1983, when 18 parties participated.

Under the proportional representation formula, each party prepares a slate of candidates and voters cast their ballots for a party rather than for an individual candidate.

The number of successful candidates on a party's list is determined in accordance with the percentage of votes that party garners.

A total of 386 candidates were competing for the remaining 76 seats in 47 prefectural constituencies.

The preelection standings of major political parties in the upper chamber were 94 for the LDP, 63 for the SDP, one for Sakigake, 35 for Shinshinto and 11 for the JCP.

In the wake of Sunday's poll, the three-party coalition secured an overall majority in both houses of parliament.

Kono, Takemura's Posts in Reshuffle Viewed

OW2407134495 Tokyo KYODO in English
1331 GMT 24 Jul 95

[FBIS Transcribed Text] Tokyo, July 24 KYODO — Prime Minister Tomiichi Murayama is expected to reshuffle his cabinet but will ask his foreign and finance ministers to remain in their posts, ruling coalition sources said Monday [24 July].

Foreign Minister Yohei Kono and Finance Minister Masayoshi Takemura are expected to continue in their posts under an overhauled cabinet, the sources said.

Murayama will also put at the top of his agenda new economic stimulus measures in response to the defeat suffered by the coalition parties in Sunday's House of Councillors election which he believes was the result of public criticism of the administration's past efforts, they said.

Policy-makers of the coalition will start talks this week over additional economic steps to put a cap on the yen's upswing and provide a boost to the economy, according to the sources.

Leaders of the three governing coalition parties agreed to discuss in early August the timing and scale of a face-lift for the one-year-old cabinet.

Murayama of the Social Democratic Party (SDP), Kono of the Liberal Democratic Party (LDP) and Takemura of new party Sakigake [Harbinger] reached the accord in an emergency meeting following the upper house election.

"I understand that the three party chiefs will exchange views on the question of a cabinet shakeup, including its size and so on, after the ceiling on requests by ministers and agencies for budgetary appropriations for fiscal 1996 is decided Aug. 4," SDP Secretary General Wataru Kubo told a news conference.

Kubo made clear that the cabinet will be reorganized sometime after Aug. 4 so the three-way coalition can do well in political management following its poor showing in the upper house poll.

Although each of the three ruling parties fared worse than they expected in the election for the second chamber, Murayama decided Monday to remain in office.

The three coalition party chiefs and other party leaders also agreed to convene an extraordinary Diet session Aug. 4 to elect the new upper house president.

The parliamentary post was vacated after former upper house President Bunbei Hara retired from politics when his term expired just before Sunday's election.

The party heads will decide on the reshuffling after cabinet approval of the ceiling on budget requests for fiscal 1996 by ministries and agencies.

Since an extraordinary Diet session usually lasts a week at most, the reshuffle is likely to come Aug. 7 or 8, the sources said.

The three men also reaffirmed the need for adoption of a parliamentary resolution during another extra Diet session this fall urging a halt to nuclear testing, Kubo said.

The move is intended to pressure France to reverse its decision to resume nuclear experiments in the South Pacific in September.

Japan, the world's only country to be attacked with nuclear bombs, also plans to propose a similar resolution at an annual session of the UN General Assembly scheduled for this fall in New York.

Meanwhile, an LDP kingpin called the election result "a devastating defeat" and virtually urged the party leadership to step down.

"The LDP has lost the guts to fight. The party's top priority is in maintaining a coalition with the SDP," said Michio Watanabe, a former foreign minister.

Business Leaders on Poor Showing of SDPJ

OW2307155995 Tokyo KYODO in English
1555 GMT 23 Jul 95

[FBIS Transcribed Text] Tokyo, July 23 KYODO — Business leaders late Sunday echoed calls for the coalition government to take stimulus measures to salvage the flattening economy, citing the poor showing of the Social Democratic Party (SDP) [of Japan, SDPJ] led by Prime Minister Tomiichi Murayama.

"The showing of Murayama's party reflects voter criticism. Many people are dissatisfied with the coalition government's policy," said Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren).

Returns showed the SDP seemed assured of capturing 16 seats, well below the party's record low of 20 seats posted in the 1986 upper house elections, though the three coalition parties retained a simple majority in the upper chamber.

"In an effort to revitalize the economy, the Murayama cabinet should take pump-priming measures, including emergency reform of the tax system and compiling a second supplementary budget for the current fiscal year," said Toyoda, also chairman of Toyota Motor Corp.

During the election campaign, Murayama said his cabinet would propose the second extra budget to the Diet or parliament this fall.

Kosaku Inaba, head of the Japan Chamber of Commerce and Industry, said, "The three coalition parties (the SDP, the Liberal Democratic Party and New Party Sakigake) should accept criticism about their economic policy."

Yomiuri Shimbunsha Proposes Security Policy

952A0558A Tokyo THIS IS YOMIURI in Japanese
1 Jun 95 pp 104-128

[Article by research group, Yomiuri Shimbunsha: "Comprehensive Security; Proposing a Policy Outline"]

[FBIS Translated Text] Unexpected major earthquakes and random attacks by terrorists. It has become urgently important for people today to have "security to protect their lives." Yomiuri Shimbunsha proposes this "Policy Outline" to commemorate the 48th anniversary of Constitution Day. In addition to defending the nation, we want the Self-Defense Forces [SDF] to be mobilized effectively for PKO [peacekeeping operations] as well as in case of a major disaster. We need to change the system to respond to emergencies. We propose creation of a "comprehensive security council" to strengthen the prime minister's authority in dealing with three major situations —external aggression, major disasters, and terrorism.

Eventually, we must enact a "basic law on comprehensive security" to deal with security issues in a comprehensive fashion.

This "Policy Outline" is the result of work done by a project team of Yomiuri Shimbunsha, which has conducted interviews with outside specialists since January of this year. It is hoped that this outline will serve as material for further public discussion, following our announcement last year of a "Tentative Plan for Constitutional Revision."

Applicable to All Emergency Situations, Ranging from Self-Defense to Major Disasters and Terrorism

Essential Points

1. Apply to all situations, including self-defense, major disasters, and terrorism.
2. Establish a comprehensive security council and strengthen the prime minister's leadership.
3. In addition to defense, the SDF will be responsible for the PKO and the dispatching of troops to disaster areas.
4. The prime minister has authority to declare an emergency situation and to effect centralized control and supervision.
5. With the Japanese-U.S. Security Treaty as a basis, devise a measure to develop trust in the region.
6. Deal aggressively with disposal of chemical weapons.
7. Remove the freeze on some activities relating to the PKO, and establish a PKO training center.

8. Dispatch vessels to protect overseas Japanese, but prohibit their stationing.
9. Use ODA [official development aid] only for development of international peace.
10. Create a system for the stable supply of food and energy.

Why Do We Propose a Policy Outline?

The basis for national security and protection of the citizens' lives, bodies, and property lies in abilities for self-management and capabilities to cope with crises.

Following the collapse of the Cold-War structure, apparent military threats have largely diminished. However, there appeared various factors of racial, religious, and economic disputes that had been concealed under the Cold-War structure. Rules that are supposed to regulate actions among nations are less likely to be followed due to each nation's insistence on its own self-interest, resulting in an increase in crises, dangers, and instability. On the other hand, such disasters as the Great Hanshin Earthquake can happen anytime, and there exists a fear that such random terrorist attacks as in the Sarin case in the Tokyo subway system may increase.

For fifty years after World War II, Japan has neglected to examine security issues at the national level because of a vague notion that it has made itself devoid of militaristic activities.

On 3 November last year on Constitution Day, Yomiuri Shimbunsha issued "Yomiuri's Tentative Plan for Constitutional Revision" in preparation for the 21st century. In the plan, we clearly set forth the existence of the SDF as an "organization for self-defense," and called for active cooperation in keeping international peace.

Based on the "Yomiuri's Tentative Plan for Constitutional Revision," we now propose this "Policy Outline for Comprehensive Security" to provide a concrete form to the idea of security so that we can be prepared for any crises and situations that are difficult to deal with by applying disparate laws and regulations. To deepen national debates on our Constitution, as well, the time has come to consider "comprehensive security" seriously from the viewpoint of the peace and safety of our citizens' lives. This policy proposal is intended to be used as material for further discussion in promulgating a "basic law on comprehensive security."

Subject matters for security must include not only national defense, but also such other situations as natural disasters and terrorism. In dealing with an emergency situation, it is necessary to overcome the harmful effects of the vertically structured administrative system and to

simplify clerical procedures so that we can take speedy measures to counter the situation.

We cannot maintain peace and safety simply by wishing for them. We need concrete measures for prevention and management. It seems unlikely, and we certainly hope not to experience any foreign aggression and resulting confusion for the time being, but it is not impossible to be affected indirectly by conflicts and disorder abroad. Therefore, it is vitally important to improve our ability to cope with possible crises. For the foreseeable future, we cannot expect much from the new order that was conceived in the early 1990's, or maintenance of international order by superpowers in particular. As a final analysis, therefore, along with maintenance of cooperative relationships with its allies and friendly nations, Japan must have a capability to manage by itself.

On the home front, as well, due to the collapse of the structure of international confrontation, we are experiencing fluidity in political and spiritual conditions; we are entering into the era of multiple interests in conflict. This may create major disorder. Although there is a limit to preventing a natural disaster, we must have measures in store to minimize possible damages.

In the case of international situations, diplomatic efforts should take precedence, and economic exchange and cooperation, including official development aid (ODA), are important. But all this alone cannot guarantee security. Efforts are needed to maintain peace through a backup support of self-defense capabilities, active performance of duties as a UN member nation, and cooperation based on the Japanese-U.S. Security Treaty. Peace in Japan depends on peace in the world. In this sense, it is important to deter conflicts and to have arms control; it is also necessary to have international cooperation so as not to produce a massive number of refugees.

In light of these new situations in the world and at home, it is increasingly necessary for Japan to organize normative rules that can be applied in dealing with security issues in a comprehensive manner.

Chapter One: A General Outline

Objective

1. The objective of the "Policy Outline for Comprehensive Security" is to maintain our nation's independence and safety as well as to protect the lives, bodies, and property of our citizens from threats and disasters, by integrating various measures pertaining to diplomacy, defense, economy, and the like.

2. The threats and disasters mentioned above include not only those that are caused by external aggression or riots, but also all other phenomena that threaten the lives, bodies, and property of our citizens, including natural disasters, major accidents, terrorism, environmental destruction, and so on.

Basic Tenets

1. To establish a well-coordinated, comprehensive security policy, it is important to make diplomatic efforts for international cooperation, along with efforts for self-defense. By maintaining and strengthening the Japanese-U.S. security system, and through cooperation with the nations that share the same security interest, and active participation in U.N. peacekeeping operations, Japan must promote security cooperation regionally and internationally at multiple levels, and strive to prevent conflicts and to promote arms control and reduction.

2. Japan has, and can exercise, the right to individual security, which is an inherent right of all sovereign nations, as well as the right to collective security. Under the current international condition where it is difficult for any nation to maintain security by its own independent efforts, Japan must cooperate actively with its allies who share the same security interests.

3. Japan must maintain the Self-Defense Forces (SDF) as a self-defensive organization, and equip them with reliable and highly efficient defense capabilities, focusing on advanced levels of information-related capabilities and the ability to respond quickly to crisis situations. However, Japan will not use armed forces except for self-defense purposes. In addition to defending our nation, the SDF will perform such duties as international cooperation and disaster relief.

4. To establish a comprehensive security system to deal not only with military crises but also with such various internal and external threats as major disasters, large-scale accidents, and organized terrorism, Japan will improve the self-control and crisis management capabilities at both national and community levels. A structure for such a system, as well as legal measures and so on, must be examined comprehensively from multiple angles, and these need to be in good order even under normal circumstances.

Duties of the National Government, Municipalities, and Citizens

1. To safeguard its independence and security, as well as the lives, bodies, and properties of our citizens, our national government has duties to take prudent action by using all its organizational units and functions. To this end, it must set up a basic policy for comprehensive

security, and establish an integrative and mobile system for implementation by coordinating with municipalities and others in a comprehensive fashion.

2. Prefectures, cities, towns, and villages have duties to devise measures to protect their regional communities, as well as the lives, bodies, and property of the residents in cooperation with related organizations of the national government, other municipalities, and their residents.

3. The citizens must strive to contribute to the safety of their regional communities, the bases for their lives.

The Use of the Right to Collective Self-Defense Is Also Possible

In the general outline, first of all, we indicated our belief that in order to construct a comprehensive, multifaceted security policy, it is necessary not only to follow the traditional view of diplomacy, defense, and economy, but also to streamline various measures and the domestic system to prepare for "threats and disasters," which include natural disasters, large-scale accidents, terrorism, and environmental destruction.

We also made it clear that in addition to the right to individual self-defense, Japan can also exercise the right to self-defense in cooperation with its allies who share the same security interest, namely the right to collective defense.

Our government subscribes to the following interpretation: "As a sovereign nation, Japan naturally has the right to collective self-defense; we are, however, not allowed to exercise this right under our Constitution." Saying that "we have the right but cannot exercise it" is a contradiction. Given the premise that we can exercise the right to collective self-defense, it becomes possible, for example, to assist U.S. warships operating around our country.

Here, we must make a sharp distinction between the abstract legal assumption about the right to collective self-defense and the actual issue of choosing among policies. It is clearly unrealistic and simply a play on arguments to conjure up a possibility of Japan's defending the United States on U.S. soil by revising the Japanese-U.S. Security Treaty, the application of which is currently limited to "the security of Japan and the Far East" (and its surrounding regions).

Chapter Two: Strengthening of Governmental Functions

A Comprehensive Security Council

1. To respond quickly to changes in international situations and to maintain our national security and the stability of our citizens' lives, a "comprehensive security

council" will be established within the cabinet by reorganizing and strengthening the existing security council. This council will examine important issues relating to national security, collect and analyze information, create concrete guidelines for dealing with emergency situations, and establish and strengthen a system for these activities.

The council will prepare mid- to long-term security plans. A security plan becomes effective upon approval by the Diet.

The comprehensive security council is chaired by the prime minister, and it is composed of state ministers to be appointed by the prime minister.

When judged necessary by the prime minister, the council can request attendance of the chairman of the Joint Chiefs of Staff, the director of the National Police Agency, and others to be nominated by the prime minister to hear their opinions.

2. Concurrently with an announcement of an emergency situation, which will be defined in Chapter Four on "Emergency Situations," the comprehensive security council will become an emergency security council.

3. A permanent secretariat for the comprehensive security council will be created within the cabinet under the direct supervision of the prime minister. The chief cabinet secretary or some other state minister will be appointed as its secretary general.

The secretariat will be composed of the existing "five offices of the cabinet," including the Security Affairs Office, and other specialists on various security issues. Related ministries and agencies must provide all reference materials and information on security issues to the secretariat.

A Deliberative Committee on Comprehensive Security

A deliberative committee on comprehensive security, which is comprised of learned and experienced individuals, will be established within the cabinet. The committee will provide advice and suggestions as requested by the prime minister; it conducts research and discussions on important security issues, and submits its findings to the prime minister.

Disclosure of Information

Our government must disclose to our citizens, as appropriate, information concerning various international situations that may affect the peace and security of our nation, analyses thereof, and its basic policy pertaining to security issues so as to gain understandings from our citizens.

An Emergency Security Council as a Control Tower

Protection of the lives, bodies, and property of our citizens is the most basic role of our government. Therefore, it is always important to have a political structure and an administrative system that are organized to satisfy this role. The Great Hanshin Earthquake exposed weaknesses in these governmental functions.

First, therefore, the outline focused its attention on how to strengthen the abilities of the prime minister's office and the Cabinet Secretariat in dealing with crises. As a concrete measure for this, it proposed establishment of a comprehensive security council by reorganizing and strengthening the existing security council.

The existing security council is to deal with defense mobilization, terrorism and hijacking-related incidents, and large-scale disasters that accompany problems in peace and order. In addition to these situations, the new comprehensive security council will be in charge of the entire range of security-related issues, and thereby strengthen our government's functions to deal with crises.

Under normal circumstances, the council, as a planning and proposal-making agency, will play a leading role in organizing related laws and regulations that are to be invoked at the time of announcement of an emergency situation. Creating a manual in preparation for crises is also one of its important duties. Furthermore, the council must seize every opportunity to strengthen its relationships with other related organizations, and to streamline its information networks.

Concurrently with an announcement of an emergency situation, the comprehensive security council will become an emergency security council, and serve as a control tower to execute the government's measures to deal with the crisis.

In addition to the chairman of the Joint Chiefs of Staff, we included the director of the National Police Agency as a source for opinions. The reason for this inclusion is to actively collect expert advice from those on the scene.

Another important point is the expansion and strengthening of the council's secretariat. Although very small in comparison to the National Security Council (NSC) of the United States, which has about 2,000 members and an annual budget of \$2 billion (about ¥170 billion), we tried to revise the existing structure completely — the secretariat of the Cabinet's Security Office is currently composed of only about twenty individuals assigned from various ministries — by (1) placing the

comprehensive security council under the direct supervision of the prime minister, (2) assigning cabinet members to responsible positions, and (3) incorporating all of the "five offices of the cabinet" — the Security Office, the Domestic Affairs Deliberation Office, the Foreign Affairs Deliberation Office, the Information and Research Office, and the Public Relations Office — and adding other experts on crisis management. This is to overcome the "barriers" of the vertically structured administrative system.

We also proposed establishment of a deliberative committee on comprehensive security, which will be composed of knowledgeable individuals, and a requirement for active disclosure of information on security-related issues. This is because we believe that in addition to crisis-management capabilities at the political and administrative levels, deepening the general public's understandings of security issues is truly necessary in establishing a security system.

Chapter Three: National Defense and the Self-Defense Forces

The Basic Policy on Defense and the Duties of the SDF

1. Japan must strive to organize defense forces that are highly reliable and efficient.
2. To protect our nation's independence and security as well as the lives, bodies, and property of our citizens, the SDF will be in charge of not only defending our nation, but also of carrying out such activities as disaster relief efforts to secure the safety of our communities, and cooperative activities to maintain international peace.
3. In defending our nation at the time of external aggression, or when such external aggression is imminent, the SDF will strive to prevent or remove such aggression within the framework of the Japanese-U.S. security system.
4. The SDF will not use armed forces except for the purpose of self-defense.
5. To be ready for mobilization in case of emergency and other situations, the SDF will conduct training sessions with related organizations.

The SDF's Organizational Structure and Equipment

1. For the SDF to carry out its duties, our government will establish defense plans, stipulating the organizational structure and equipment necessary for the SDF.
2. To establish defense capabilities and to deal flexibly with various kinds of threats, efforts should be made

to streamline the organizational structure, to modernize equipment, and to strengthen the system of information collection. Necessary measures will also be established for international peacekeeping operations.

3. In response to the prime minister's request, the chairman of the Joint Chiefs of Staff can state his opinions at the comprehensive security council. As representative of the Joint Chiefs of Staff, he will provide advice to the director general of the Defense Agency.

4. The Joint Chiefs of Staff will strengthen the integrative mobilization system of each of the Ground, Maritime, and Air Self-Defense Forces, and streamline the system of command and communications.

Civilian Control

1. The SDF will be placed under strict civilian control.
2. The prime minister has the highest authority to command and supervise the SDF.
3. When an emergency situation requires that the SDF be dispatched or mobilized, the prime minister must get approval from the Diet either before or after the fact.

Clarifying the Duties of the SDF in the PKO

The Basic Defense Policy and Duties of the SDF

In addition to defending our nation, the SDF's duties are defined to include "activities to secure the safety of our communities, including disaster relief efforts," and "cooperative activities for international peace," such as UN peacekeeping operations (PKO).

"Activities to secure the safety of our communities, including disaster relief efforts," assume mobilization and dispatch in case of such large-scale disasters as the Great Hanshin Earthquake, wide-ranging random terrorist attacks, and major riots.

Article 3 of the Self-Defense Forces Act states that the "[SDF] will maintain public order as deemed necessary," giving only a vague definition to such duties as mobilization for public peace and order and disaster relief efforts. On the other hand, the outline in effect raised the importance of these duties so that the SDF will be able to take appropriate action. The outline included a statement saying that the "[SDF] will conduct training sessions with related organizations." The reason for this inclusion is that we believe it vitally important, especially in the case of disaster relief efforts, to have a regular program of coordination and joint training among related organizations. We must make use of the lessons we learned from the Great Hanshin Earthquake.

According to the current SDF Act, cooperative activities for international peace are only supplementary duties under Sub-Section 7 of Section 100 of Chapter Eight on "Miscellaneous Rules." However, Japan must actively promote international division of duties in various fields, because its existence as a nation depends on maintenance of free trade and commerce predicated on international peace. As evidenced by actual participation in the PKO, the SDF will play a pivotal role in this area. Therefore, cooperative activities for international peace are included as one of the important duties of the SDF. This is why we included a chapter on international cooperation in Yomiuri's "Tentative Plan for Constitutional Revision," and stated a need for participation and cooperation in UN activities in Section 13.

Also, the expression that the "[SDF] will not use armed forces" means denunciation of wars of aggression. Therefore, this is an issue separate from the SDF's participation and cooperation in joint activities of the international community based on UN resolutions. "Collective security" of the United Nations belongs to a category different from the use of each member country's rights to individual and collective self-defense. Questions as to whether to participate in a joint activity and in what manner to cooperate are Japan's policy-choice issues relating to individual cases.

The SDF's Organizational Structure and Equipment

Regarding the organizational structure, we stated an objective of streamlining it so as to deal flexibly with various kinds of threats. In response to a report submitted by a "discussion group on defense issues," the Defense Agency is currently reviewing an "Outline of Defense Plans."

The report proposes reduction of the number of SDF personnel from the current 270,000 to 240,000. It also proposes that (1) the Ground SDF reduce the number of its divisions, change some divisions to brigades, and review assignments of troops, (2) the Maritime SDF reduce the number of its vessels and airplanes, and (3) the Air SDF review its radar sites, reduce the number of its combat troops, and consider introduction of tanker planes. The outline basically follows these proposals.

At the same time, we cannot neglect the streamlining of a system to cope quickly with an emergency situation. The number of SDF officials in reserve is about 48,000 at present. It is necessary to strengthen this reserve system, including expansion of the number of officials in reserve and improvement of their abilities. This is why we stated that the "[SDF] will deal flexibly [with situations]."

Taking "necessary measures" for cooperative activities for international peace is also an important agenda. This means streamlining the organizational structure and equipment to respond quickly and actively for PKO activities. In concrete terms, it may be necessary also to unify the authorities of the chiefs of the Ground, Maritime, and Air SDF by setting up a specialized division within the Joint Chiefs of Staff to be in charge of cooperation in the PKO.

In this sense, what needs to be done as soon as possible is to strengthen the functions of the Joint Chiefs of Staff. Therefore, we proposed strengthening the authority of the chairman of the Joint Chiefs of Staff, whose current status is ambiguous. The reason we created a subsection, saying that in response to the prime minister's request, the chairman of the Joint Chiefs of Staff can express his opinions at a meeting of the comprehensive security council, is to increase the frequency of attendance by the chairman, who has been reduced to a shell under the existing Security Council Establishment Act, and to utilize military advice even during normal times. To integrate and mobilize the three SDF's, it seems necessary to unify information and communications functions.

Civilian Control

Under any emergency situations, strict civilian control over the SDF is the primary requirement. We stated clearly that the prime minister is the chief commanding officer of the SDF, and that in addition to the existing rules on mobilization for defense purposes, if the prime minister decides to mobilize the SDF for peace and order or for disaster relief efforts at the time of announcing an emergency situation, he is required to obtain approval from the Diet before or after the fact.

Chapter Four: Emergency Situations

Basic Tenets

In response to the occurrence of an emergency situation such as a military attack from abroad, a riot, or a large-scale disaster, our government must establish a system to cope with the situation properly and quickly by coordinating national and municipal organizations. It must also clarify where each responsibility lies, and streamline related laws and regulations in preparation for emergency situations, so as to protect our national land as well as the lives, bodies, and property of our citizens.

Emergency Situations

An emergency situation is an occurrence of a large-scale disaster, that cannot be dealt with by ordinary systems,

including an actual or imminent military attack from abroad, a terrorist attack, a riot, a major earthquake, an accident at a nuclear power plant, and so on.

Announcement of an Emergency Situation

When an emergency situation occurs, and if the prime minister judges that unless he takes an immediate action, he won't be able to protect the lives, bodies, and property of our citizens, he can convene a meeting of the comprehensive security council, and upon a decision by the council, he can announce the emergency situation that may be applicable to the entire nation or a certain region.

Such an announcement must clearly indicate the time limit, and should be made known to and understood by our citizens without exception.

The Diet's Approval and Cancellation of an Announcement

1. The prime minister must obtain approval from the Diet before or after he announces an emergency situation. If approval is sought after the fact, he must bring the matter before the Diet within twenty days after the announcement. If the Diet is in recess, he must convene an extraordinary session immediately. Or, if the House of Representatives has been dissolved, he must seek approval at an emergency meeting of the House of Councilors.

2. If the Diet does not approve, or decides to cancel, an announcement of an emergency situation, or if such an announcement is judged to be no longer necessary, the prime minister must cancel the announcement without delay.

An Emergency Security Council

Concurrently with an announcement of an emergency situation, the prime minister must set up within the cabinet an "emergency security council." He serves as chairman of this council, which is composed of related state ministers.

Emergency Measures and the Prime Minister's Authority

1. Upon announcement of an emergency situation, the prime minister can take emergency measures based on applicable laws within a scope necessary to protect the lives, bodies, and property of the citizens.

2. Upon announcement of an emergency situation, the prime minister can take temporary control over the National Police Agency and the Fire Defense Agency in addition to the SDF; he can exercise direct control and supervision over the head of each of these agencies. He

can also give necessary orders to the heads of national and municipal organizations as well as other executive organs.

3. In case of accidents associated with an emergency situation, the line of succession to the commander in chief must be established by law in advance.

Respect for and Partial Restrictions of Basic Rights

When emergency measures need to be taken within a region that has been designated in an announcement of an emergency situation, the prime minister must respect the basic rights stipulated in our Constitution. According to the laws pertaining to emergency measures, however, the prime minister can restrict, within a minimum required scope, the rights to traffic, communications, living quarters, freedom to change address, and property. Particular damages arising from such restriction will be compensated properly in accordance with law.

Ex Post Facto Investigation of Emergency Measures

Immediately after cancellation of an emergency situation, the prime minister must ask the Constitution Court to investigate those emergency measures that restricted basic rights.

The Prime Minister's Authority Extends Also to Police and Fire Defense Agencies

Basic Tenets

Assuming the functioning of governance based on the Constitution, emergency situations in this outline are those situations that require crisis management and crisis control.

To protect our nation's peace and the security of our citizens, the outline requires our government to deal quickly with these crisis situations, to resolve the harmful effects of the vertically structured administrative system, and to review and streamline related laws and regulations, such as by creating exemption clauses in ordinances for times of emergency.

Emergency Situations

In the outline, emergency situations are categorized mainly into three types — defense, peace and order, and disaster relief.

A defense-related crisis occurs when there is a military attack from abroad, or when such an attack is imminent. It is a situation that requires defense mobilization pursuant to the SDF Act.

A crisis relating to peace and order occurs when there is chaos in our community due to indirect aggression, a

large-scale disaster or riot, terrorism, hijacking, or the like. It includes a situation that requires mobilization for peace and order pursuant to the SDF Act, an emergency situation under the Police Act, and a major emergency situation under the Security Council Establishment Act.

Crises relating to disasters include not only large-scale earthquakes, such as the Great Hanshin Earthquake, and other natural disasters, such as tsunami, but also accidents at nuclear power plants, accidents involving bullet trains and other railway trains, and shipwrecks involving many victims.

Announcement of an Emergency Situation

The authority to recognize and announce an emergency situation is vested in the prime minister, who is at the helm of administration.

At present, in case of a disaster, our government sets up a rescue headquarters as a central control tower pursuant to the Basic Law on Countermeasures Against Natural Calamities. For emergency situations in terms of defense as well as peace and order, however, there is no stipulation in the SDF Act or in the Police Act to create a control-tower organization.

Therefore, the outline designates the "comprehensive security council" as a control tower in common to all three types of emergency situations.

Reports and information on an emergency situation will be directed to the comprehensive security council from related organizations, and the prime minister as chairman of the council decides upon deliberation whether the situation is an emergency situation that requires an official announcement. Here, judgment will be made as to the level of urgency and the extent of damages in a comprehensive fashion.

An announcement must specify the area of an emergency situation, a summary outline of the situation, the date when this announcement becomes effective, and the expiration date. It will be published in official gazettes, and will also be made known to the public through the mass media and other means.

The Diet's Approval and Cancellation of an Announcement

In principle an announcement of an emergency situation must be subject to approval by the Diet.

Under the current law, prior approval is required in principle for a defense mobilization order, but *ex post facto* approval is allowed for an emergency case. On the other hand, in case of a mobilization order for peace and order as well as an announcement of a police emergency situation and a disaster, requirements are relaxed; *ex*

post facto approval within twenty days. Also, if the Diet doesn't approve an announcement, the prime minister must cancel the announcement.

In light of the current law, and taking into account the differences among emergency situations relating to defense, peace and order, and disasters, the outline proposed general requirements common with regard to approval or disapproval by the Diet and cancellation of an announcement that can be applied to all three types of emergency situations.

An Emergency Security Council

When an emergency situation is announced, the comprehensive security council is changed to a more mobile "emergency security council," which is composed of a minimum-required number of cabinet members. The council's role is to assist the prime minister in taking stronger leadership.

Emergency Measures and the Prime Minister's Authority

To facilitate quick and close information exchanges among related organizations, and to speed up the decisionmaking process of the entire government under an emergency situation, the outline proposes simplification of administrative procedures for emergency situations and creation of a system that will enable the prime minister to exercise his leadership role effectively.

To this end, the outline seeks the streamlining of laws and regulations, the basis for which is a "law on emergency measures" to be enacted anew, giving the prime minister authority to effect emergency measures.

Pursuant to this law, the prime minister, upon defining its objective and scope, will also be able to issue a delegated ordinance like the economic-related emergency ordinance in the Basic Law on Countermeasures Against Natural Calamities. As a matter of course, such an ordinance requires *ex post facto* approval of the Diet.

For the prime minister to exercise his leadership role, it is necessary to install a top-down method of command. Although the prime minister's direct command is allowed for the SDF and the National Police Agency under the current law, the outline has added the Fire Defense Agency to the realm of his direct command. It also proposes creation of a wide-ranging fire defense system by reviewing fire defense organizations at the municipal level, based on the lessons learned from the Great Hanshin Earthquake.

As it is possible for the prime minister to become a victim under an emergency situation, it is also considered desirable to establish by law the line of

succession to the commander in chief among cabinet members, following an example in the United States.

Respect for Basic Rights and Partial Restriction Thereon

The cooperation of our citizens becomes necessary in an emergency situation, and the current law stipulates various burdens that can be placed upon our citizens. The so-called emergency public burdens allow the head of a municipality or the head of an administrative organ of our national government to order our citizens to cooperate or to do physical labor in implementing emergency measures, and also to use privately owned land and houses or to expropriate goods and materials. A priority right to use communications facilities is also recognized. For these measures, actual costs are reimbursed, and damages are compensated.

As those measures that restrict the constitutional rights to freedom, the guarantee of property rights, and so on are necessary and essential to accomplish emergency objectives, they are considered not in violation of our Constitution.

Recognizing this basic principle and pursuant to the "law on emergency measures," the outline also stipulates possible cases in which some basic human rights can be partially restricted through traffic control, restriction of telephone usage, an order to evacuate from a danger zone, and so on, at the minimum required level. However, emergency measures do not limit other rights, such as freedom of speech and press, freedom of assembly and association, the basic rights to work, and the right to a court trial, guaranteeing the important framework for a democratic society.

Ex Post Facto Investigation of Emergency Measures

Countermeasures against emergency situations are taken according to law, but some people point out possible misgivings regarding restriction of basic rights. Therefore, the outline requires the prime minister, at the end of an emergency situation, to request the Constitution Court, whose establishment has been proposed in Yomiuri's "Tentative Plan for Constitutional Revision," to investigate and judge the right or wrong of restrictive measures imposed, providing extra checks and balances.

Chapter Five: International Relations and the Japanese-U.S. Security Treaty

Active Participation in the United Nations

Japan respects the UN Charter, and will support and play an active role in strengthening UN peacekeeping functions. Also, in cooperation with other member

countries, it will strive to realize reform of the United Nations.

Strengthen Functions of the Japanese-U.S. Security System

1. The Japanese-U.S. Security Treaty, which Japan concluded with the United States, which shares a common security interest, is the basis for Japan to maintain security.

2. The Japanese-U.S. security system has contributed not only to maintenance of Japan's security, but also to the stability of the Asia-Pacific region. Recognizing anew that until the United Nations can streamline and make an effective system of collective security, the Japanese-U.S. security system will continue to be necessary and essential for Japan's security and the stability of the Asia-Pacific region as well as for the world's peace and stability, Japan will strive to make management of the system smooth and sound.

Promotion of Regional Security and Development of Trust

To prevent conflicts in the Asia-Pacific region and to promote arms control and reduction, Japan will take active measures to develop trust through bilateral and multilateral exchanges and discussion on security.

Aiming at Smooth Management of the Japanese-U.S. Security System

Active Participation in UN Activities

The Outline proposes that Japan respect the UN Charter and play a more active role in strengthening UN peacekeeping functions. As a concrete measure, it proposes that Japan make an utmost effort in materializing "UN reform," which is currently being discussed at the United Nations.

UN reform includes strengthening of the UN Security Council's functions, financial reform, and the issue of eliminating the clause on former hostile nations. The issue of Japan's entry as a permanent member of the UN Security Council, which is being discussed as part of UN reform, needs to be tackled positively by taking into through consideration public opinion here and abroad.

Strengthen Functions of the Japanese-U.S. Security System

The outline recognizes the necessity, in defending itself against an external attack, of upholding Japan's alliance with the United States, which shares a common security interest.

Following the end of the Cold War, the situation in the Asia-Pacific region has become fluid. We believe that the Japanese-U.S. Security System is the basis for Japan's defense and the stability of all of Asia as well as for world peace and stability in the foreseeable future.

Last February, the U.S. National Military Establishment issued a report, saying, "In the next twenty years, Japanese-U.S. relations are the basis for the U.S. security policy in the Pacific region and strategic objectives for the world." In response to this report, the outline indicates its understanding that the Japanese-U.S. security system is the basis for Japan's diplomatic policies, not only in military but also in political and economic areas, and proposes that Japan strive actively to maintain this system.

In concrete terms, positive actions in the following areas are being considered: early conclusion of a Japanese-U.S. agreement on commodities and services assistance (ACSA), strengthening of a system to support activities of the U.S. military by sharing the U.S. military's cost of stationing in Japan, and a theater missile defense (TMD) plan.

Regional Security and Development of Trust

Participation of the United States is essential for security in the Asia-Pacific region after the end of the Cold War, and the Japanese-U.S. Security Treaty plays a major role in this regard. In addition to this alliance, it has become increasingly important to establish a multilateral framework, including China, to discuss security issues.

With the "Association of Southeast Asian Nations (ASEAN) Regional Forum (ARF)," which was formed last year, the outline believes it important to promote arms control and reduction in the entire region, and to develop mutual trust to deter conflicts among the participating countries.

Measures to develop trust are means for security that have been politically generated within a framework of multilateral dialogues at the Conference on Security Cooperation in Europe (CSCE), the current Organization for Security Cooperation in Europe.

To develop trust, ARF is planning for exchanges of military information and discussions on safety issues relating to maritime traffic in the future, and is encouraging participation in the UN arms registration system.

Japan must strive to enhance the effectiveness of ARF, the only place for multilateral dialogues on security in Asia. To maintain security in all of Asia, Japan also needs to conduct more active discussion on security issues at a bilateral level, for example, with

China, Korea, Russia, and each of the Southeast Asian countries.

Chapter Six: Arms Control and Reduction

Elimination of Weapons of Mass Destruction

1. Japan will make utmost efforts to eliminate from the earth, once and for all, such inhumane weapons of random mass destruction as nuclear weapons, as well as biological and chemical weapons. It should never develop, produce, acquire, maintain, transfer, or use such weapons. To this end, it must streamline thoroughly and completely the related domestic laws and regulations.

2. To prevent the spread of weapons of mass destruction, an effective international framework for export control must be established. In terms of such expected, arms reduction activities as disassembling and disposing of chemical weapons and so on, Japan will participate in such efforts actively and provide personnel and technical assistance in accordance with international treaties and agreements.

Transparency in Arms Transfer

As part of arms control and reduction on a global scale, we must aim at strengthening the "UN arms registration system" so as to increase transparency in international transfer, production, and holdings of conventional weapons. And, with a policy of not exporting weapons and related products in principle, Japan must apply strict measures to this end.

International Cooperation Against Terrorism

"Inhumane weapons of random mass destruction" include nuclear weapons, biological weapons, and chemical weapons. The threat of nuclear war between the United States and Russia has been diminished significantly under the current international situation following the end of the Cold War. However, the spread of weapons of mass destruction and related materials and technologies, as well as the occurrence of terrorist activities, have become realistic dangers, threatening the safety of citizens. It is an important part of comprehensive security for Japan to cooperate wholeheartedly in such international agreements as the Nuclear Non-proliferation Treaty (NPT), a treaty to ban biological and chemical weapons, and a framework for export control.

It is natural for Japan as the only nation that suffered from atomic bombing, upholding the "three nonnuclear principles," to support the permanent extension of the NPT and to aim at the elimination of chemical weapons, the so-called "nuclear weapons of the poor." In addition

to regulations on poisonous chemical materials and measures to cope with such random terrorist attacks as the Sarin incident in the subway system, what's important is SDF's international cooperation, utilizing their specialized technologies. It is essential, therefore, to streamline the system and structure [of SDF].

Japan participated in the "special committee to dispose of Iraq's mass destruction weapons," and cooperated in disposing 46,000 chemical shells. However, the UN PeaceKeeping Activities Cooperation Act was not applied to six SDF officials who had been dispatched. It is urgently necessary to define duties under the PKO Act. Also, pursuant to the treaty to ban chemical weapons, it has been requested to dispose of a massive amount of chemical weapons (poisonous gas bullets) that were abandoned by the old Japanese army in China. Japan has a big responsibility.

In terms of conventional weapons, it is necessary to enhance transparency further through the "UN arms registration system," which was created under Japan's leadership, by requiring not only the reporting of data on transfer (import and export) of seven types of weapons, including tanks, fighter planes, and missiles, but also the reporting of production and holdings.

Chapter Seven: UN Peacekeeping Operations (PKO)

Basic Tenets

UN peacekeeping operations (PKO) are an important established system to maintain and restore peace in the international community. International interdependency is rising, and it is essential for Japan's security to have each nation's trust. To strengthen the functions of the United Nations, Japan will become actively involved in this area.

Policy of Participation in the Future

In the PKO, Japan will participate mainly in such postcrisis management as redevelopment and restoration of order in the region, given "cease-fire agreements" and "agreements to receive assistance" from the parties involved in a conflict. Participation applies widely and positively, including humanitarian aid.

Duties in the PKO

1. Activities include not only support activities as in communications, transportation, and construction, but also such activities as overseeing the implementation of cease-fire and disarmament, stationing and patrolling in a neutral zone, and inspecting and confirming inflows and outflows of weapons.

2. Duties are of a "guard" nature, such as protecting the troops of other countries.

Use of Weapons

The use of weapons by the SDF in case of emergencies is permitted if such use is ordered by the commander of a local troop so as to protect troop members. The same applies to a situation where without such use, the performance of duties can be significantly hampered.

Establishment of a PKO Joint Training Center

To enhance capabilities for the PKO, a PKO joint training center will be established in cooperation with other interested countries. Training will focus on communications — information, communication, and liaison. The site for the center will be chosen from appropriate locations here and abroad.

Establishment of an International Joint Training Center

UN peacekeeping operations (PKO) encompass various kinds of activities. In Article 13 (Participation in International Activities) of Yomiuri's Tentative Plan for Constitutional Revision, it is clearly stated that "when necessary," and for the purpose of international cooperation, "a part of the organization for self-defense will be provided." In principle, therefore, it is possible to dispatch SDF troops to all kinds of PKO as long as such operations have been approved by the UN Security Council or at the General Assembly.

On the other hand, we have learned that there is a limitation to such operations if they are forced, as in the case of the failed PKO in Somalia. Active participation in the PKO will lose its significance unless such operations can restore order in a region in conflict and help redevelop the region.

The reason why we require in advance "cease-fire agreements" and "agreements to receive assistance" from parties in conflict, is to recognize the original purpose of PKO and to establish the standard for policy judgment.

It is necessary to review in a comprehensive fashion the main duties of the UN peacekeeping forces (PKF), including the overseeing of a cease-fire, which has been frozen even with the originally-intended requirement mentioned above, the use of weapons, which has been up to the discretion of each troop member, and the "guard" duty, which is not recognized in the current PKO Act.

When a troop is assigned to oversee a cease-fire or to a "guard" duty, it is unreasonable that the current

PKO Act leaves the use of weapons for self-defense up to each troop member's discretion. Such use without coordination will most likely increase the level of confusion and danger, instead.

Aside from the use of weapons, it seems necessary to have some flexibility, giving a certain level of discretionary power in case of unexpected situations to the leader of a troop assigned to a local area.

It is not necessary to revise the five principles of the PKO, but to solve these problems and to respond flexibly to such emergency situations as humanitarian aid and cooperative supply of goods and materials, improved measures should be adopted through legal reform.

The reason why our government intentionally excluded the "guard" duty from the current PKO Act is to avoid criticism at home that the use of weapons for guard duties would be tantamount to the use of armed forces.

"Guard" activities are being performed by other countries. To establish PKO activities that can be recognized equally in the international community, there should be no difference in the types of activities. In building up successful achievements of the PKO, guard activities should be added to official duties.

A PKO joint training center is valuable also in developing trust among the interested countries, especially among those in the Asia-Pacific region. For Japan's stance on PKO to be understood, mutual understandings through joint training exercises are necessary. Through PKO training exercises, we can develop necessary personnel in the form of "standby troops," ready to respond quickly to UN requests for troops.

However, Japan lacks human resources that are capable of teaching such training exercises in English, the official language for the UN PKO. For the time being, therefore, we will invite instructors from such advanced PKO countries as Canada and Sweden.

Chapter Eight: Protection of Overseas Japanese

Dispatch of Airplanes and Vessels

When our government judges that there is a threat to the lives and well-being of overseas Japanese due to an occurrence of an emergency situation abroad, it can, upon consent of the countries involved, dispatch SDF airplanes and vessels to rescue and protect them.

Stationing Is Prohibited

An SDF troop that is dispatched to rescue overseas Japanese must return home immediately after completion of its duties to rescue and transport the Japanese.

Storing Goods and Materials for Emergency Purposes

In preparation for emergency situations, Japanese Embassies and legations abroad must maintain communications and other necessary equipment in good order, and store necessary goods and materials, such as food and drinking water.

The SDF's Vessels Can Be Dispatched for Rescue Operations

According to a survey conducted by the Ministry of Foreign Affairs, there were about 690,000 Japanese living overseas (permanent residents and those who have been living abroad for more than three months) as of October 1993, and about 13 million Japanese who go abroad on sight-seeing trips and so on each year. The objective of this chapter is to use SDF actively in rescuing and protecting Japanese abroad when a war breaks out in a foreign land, as in the case of the Gulf war, and when an emergency situation occurs.

The existing law permits dispatching of government airplanes, SDF airplanes, patrol boats of the Maritime Safety Agency, and so on. But, depending on the number of people to be transported and the situation of a locality, the use of SDF vessels may prove to be appropriate. Therefore, the outline included the dispatch of vessels. Boarding of foreigners is permitted according to the current SDF Act.

Also, to prevent any military skirmish being caused by the stationing of an SDF contingent that has been dispatched to "protect its own citizens," the outline requires such a contingent to "return home immediately after completion of its duties."

Chapter Nine: Official Development Aid (ODA)

Basic Tenets

To contribute to the comprehensive security of the world, including the stabilization of civilian life in the international community, prevention of conflicts, and protection of the global environment, Japan will actively provide economic, technical, and personnel support and cooperation to developing countries and regions.

In providing official development aid, our basic tenets are consideration of humanitarian aspects, recognition of mutual interdependence, protection of environment, and support for self-help efforts.

Aid Policy

1. Official development aid must contribute to maintenance and development of international peace, after taking into careful consideration the receiving country's

military expenditures, development and manufacturing of mass destruction weapons and missiles, and export and import of weapons.

2. In addition to contributing to the economic development of the receiving country and region, we must consider the way to eliminate harmful effects of economic development, such as environmental pollution, in providing official development aid.

Information Disclosure

In principle, our government must disclose all information on actual ODA provided by Japan.

Nonmilitary Use Is Emphasized

The actual amount of Japan's official development aid (ODA) reached \$11,474 million (¥1,275.7 billion) in 1993; Japan has been the largest donor in the world for three years in a row since 1991. Even with this level of actual contribution, however, Japan does not have a law governing ODA; there are no clear philosophies and objectives.

Therefore, the outline stressed the importance of ODA as one of the powerful diplomatic means to materialize comprehensive security for Japan, who tends to be beset by obstacles, such as the cautious attitudes of the public toward international cooperation.

It is needless to say that ODA should not be used for military purposes, such as development of nuclear weapons. We believe that we should keep advocating this principle at every opportunity.

Also, the purpose of aid should not be limited to the economic development of receiving countries as in the past; the time has come to stress the importance of eliminating such harmful effects as existing or expected environmental pollution resulting from such economic development.

The budget for ODA for the fiscal year 1995 is ¥1,106.1 billion, a 4.0 percent increase from the previous year, showing a tendency to increase every year. Therefore, it is vitally important to begin making fuller disclosure of information to the public on ODA, the budget of which has grown to more than ¥1 trillion.

Chapter Ten: Food and Energy

Stable Supply and Storage

To maintain a stable supply of food and energy, our government will provide appropriate storage. It must promote conservation of energy, and work on development of new energy sources. Nuclear power generation will be considered as an important source of energy until new energy sources are put into practical

use; it will be promoted with carefully planned measures to prevent accidents.

Good Relationships With Exporting Countries

Our government will try to achieve diversification in the exporting countries and regions that supply food and energy resources to Japan. It must also try to maintain good diplomatic relationships with those exporting countries and regions by providing technical assistance to improve their productivity.

Maintenance of Safety on Maritime Transport Routes

Our government will try to maintain safety on maritime transport routes between Japan and those countries and regions that supply food and energy resources.

Storage and Diversification of Suppliers

Japan cannot secure enough food and energy without imports from abroad. In terms of stable supply, there are three major common agenda: (1) maintenance of good diplomatic relationships with exporting countries, (2) maintenance of safety on maritime transport routes, and (3) establishment of an information-gathering system.

Regarding imports, according to an estimate by the Ministry of Agriculture and Fisheries, for example, about 12 million hectares of agricultural land abroad are used to produce foodstuffs that Japan imports. This is three times as large as Japan's cultivated land of about 4 million hectares. Therefore, it is unrealistic for Japan with its limited land to produce these imported foodstuffs entirely on its own. It is more so in the case of such energy resources as oil.

A Stable supply of food and energy in Japan becomes possible only through a proper mix of domestic production, import, and storage.

Also, along with an effort to maintain friendly relationships with exporting countries, it is also necessary to try to achieve diversification in supply sources in preparation for some emergency situations.

North Korea

U.S. 'War Maneuvers' Criticized

SK2307082095 *Pyongyang KCNA in English*
0815 GMT 23 Jul 95

["War Manoeuvres Against North and Military Provocations in DMZ" — KCNA headline]

[FBIS Transcribed Text] *Pyongyang, July 23 (KCNA)* — The U.S. imperialists let fly dozens of carrier-borne assault planes and pursuit planes belonging to the U.S.

Pacific Fleet to the sky above Sangdong and Asan Bay of South Korea on July 18 and 19 for military exercises aerial strike on major targets in the northern half of Korea, according to military sources.

On July 17 and 19 RC-135 strategic reconnaissance plane and on July 18 U-2 high-altitude strategic reconnaissance plane and eleven other tactical reconnaissance planes of different types made flights in the sky above the Military Demarcation Line for aerial espionage on areas of the North side. Meanwhile, the South Korean puppets illegally introduced eight 90mm recoilless guns and ten odd 12.7mm large-calibre machine guns into the Demilitarized Zone (DMZ) from July 11 to 20.

Tens of officers of the puppet army with military maps and watching apparatuses stepped in the DMZ south of the western, central and eastern sectors of the front on July 13 and 17, hell bent on an operation simulating northward invasion and terrain reconnaissance.

CPRF Denounces U.S. Soldiers' Actions

OW2107221295 Pyongyang KCNA in English
2156 GMT 21 Jul 95

[FBIS Transcribed Text] Pyongyang, July 21 (KCNA) — The Secretariat of the Committee for the Peaceful Reunification of the Fatherland (CPRF) in Information No. 689 on July 20 denounced the recent criminal acts of U.S. and Japanese gangsters in South Korea.

In Taegu, on July 14, four drunken Americans broke into a house, destroyed a car and a motorcycle, injured the householder and fled.

On the 13th, Shigemitsushii, chief of the Seoul branch of a Japanese bank, while arguing with unionists, made remarks insulting a female employee, assaulted her and heavily wounded her.

The information said:

Criminal acts of foreigners are being committed openly in South Korea and they are increasing in number as days go by. This is an inevitable result of the dirty flunkyst traitorous acts of the present South Korean authorities, who follow outside forces.

This shows that the South Korean ruling quarters are conniving at foreign criminals as extraterritorial beings, subjected to the South Korea-U.S. "Status of Forces Agreement", an inequitable treaty.

The South Korean puppets do not take a lawful deal with foreign criminals including U.S. soldiers but set them free as demanded by their masters. This reveals their true colors as stooges of foreign forces and traitors to the nation.

With such a flunkyst traitorous "regime" as the present one left alone in South Korea, the crimes of U.S. and Japanese gangsters cannot be removed nor can the demand of the South Korean people for independence be realized.

More on Kim Yong-nam Letter to Butrus-Ghali

SK2107151095 Pyongyang KCNA in English
1506 GMT 21 Jul 95

[Letter of DPRK Foreign Minister Distributed as Official Document of U.N. Security Council — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 21 (KCNA) — Kim Yong-nam, vice-premier of the Administration Council and foreign minister of the Democratic People's Republic of Korea, sent a letter to Butrus Butrus-Ghali, secretary general of the United Nations on July 3 on the occasion of the 20th anniversary of the adoption of a resolution on the Korean affairs at the 30th session of the U.N. General Assembly. It was distributed as an official Document No. S/1995/551 of the U.N. Security Council on July 10.

The letter said:

On November 18, 1975 a resolution on dissolution of the "U.N. Forces Command" in South Korea, withdrawal of foreign troops from South Korea, replacement of the Armistice Agreement with a peace agreement and realization of disarmament was adopted at the 30th session of the U.N. General Assembly.

For the past two decades the DPRK Government has put forward a variety of proposals and initiatives and patiently striven to implement the U.N. resolution.

In spite of the strenuous efforts of the DPRK Government, the U.N. resolution has not yet been realized and the Korean peninsula still remains as a most unstable zone in the Asia-Pacific region.

In April last year the DPRK Government put forward a new proposal to establish peace mechanism and made overtures for talks with the United States to this end. The main factor of its obstruction is the involvement of the U.N.

The "U.N. Forces" and the "U.N. Forces Command" stationed in South Korea were made up by the United States at its own will to draw armed forces of its satellite countries into the Korean War, not by a U.N. decision.

The DPRK became a U.N. member state in 1991, but the existence of the unjustifiable "U.N. Forces Command" keeps our country in unsavoury relations with the U.N. up to now commemorating the 50th anniversary of the

U.N. foundation. It is a very abnormal phenomenon contrary to the trend of international detente.

It is possible for the U.N. to take a measure to lower the U.N. flag of the "U.N. Forces Command" and recall it since the U.N. allowed the allied forces to use the U.N. flag.

This conforms to the U.N. charter and mission. The letter expressed the hope that the U.N. secretary general will actively cooperate in this regard.

Kim Yong-sam's U.S. Trip Decried

*SK2407054795 Pyongyang KCNA in English
0536 GMT 24 Jul 95*

["NODONG SINMUN on U.S. Trip of Traitor Kim Yong-sam" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 24 (KCNA) — NODONG SINMUN today comments on the U.S. trip of the traitor Kim Yong-sam.

In a signed commentary titled "Flunkeyist and Treacherous Trip of a Colonial Puppet", the paper says:

Kim Yong-sam vociferated as if he would do something big during his tour of the United States. However, his visit is a flunkeyist and treacherous one of a colonial puppet.

The analyst of the paper further says:

The rigmarole spun out by Kim Yong-sam before departing for the United States is obviously a provocation at us, a declaration of confrontation with us and a reckless attempt of a war servant to start a war against the North in conspiracy with outside forces.

We will never tolerate the imprudent acts of the puppets in provoking us again but will make them dearly pay for it.

What enrages us is the plan of the traitor Kim Yong-sam to take part in an "inaugural ceremony of the memorial park for the U.S. participation in the Korean war" slated for July 27, though it is our victory day.

Kim Yong-sam's visit to the United States in which anti-DPRK plots are hatched is an unpardonable mockery of and a crime against the Korean people and human conscience.

It is clear that Kim Yong-sam intends to curry favour with his masters by fanning their aggressive ambition with the outcries about false "victory" and "justice" during his visit to the United States, a vanquished country in the Korean war. Such a thing can be done only by the flunkeyist and traitor Kim Yong-sam who has not a drop of blood of the nation.

In the final analysis, the U.S. visit of the traitor Kim Yong-sam is nothing but a new flunkeyist and treacherous one to do harm to the fellow countrymen with the backing of outside forces.

'Deteriorating' Sino-U.S. Relations Noted

*SK2207104595 Pyongyang Korean Central
Broadcasting Network in Korean
0800 GMT 22 Jul 95*

[FBIS Translated Text] According to reports, the relations between China and the United States are deteriorating in the wake of Taiwan's Li Teng-hui's visit to the United States last June.

A spokesman for the Chinese Foreign Ministry in a news conference on 18 July said that the U.S. Government is groundlessly denouncing China and should stop at once its act of laying a new obstacle to Sino-U.S. relations.

Asked about China's stance toward the U.S. Government's announcement of a report condemning China for violating the Biological Weapons Treaty, the Missile Technology Control Regime, and the Nuclear Nonproliferation Treaty at a time when Sino-U.S. relations are cooling, the spokesman rebuffed such a denunciation by the U.S. Government as groundless and irresponsible.

Stating that the United States has seriously contravened the principles that are the basis for Sino-U.S. relations by allowing Li Teng-hui to visit the United States, the spokesman pointed out that the U.S. side should immediately take effective measures to eradicate the grave aftereffects following Li Teng-Hui's visit to the United States, instead of laying a new obstacle to Sino-U.S. relations.

After Li Teng-hui's visit to the United States, the Chinese Government took a step to recall its ambassador to the United States and turned down a U.S. proposal to hold high-ranking Sino-U.S. talks.

In talks with Laotian President Nouhak Phoumsavan in Beijing on 30 June, President Jiang Zemin said that the U.S. Administration severely damaged Sino-U.S. relations by allowing Li Teng-hui to visit the United States, and warned that the United States will have to pay the price for its wrong decision in the end.

Qian Qichen, vice premier of the Chinese State Council as well as foreign minister, said in a news conference held in Bonn, Germany that the recent tension over Sino-U.S. relations stems from the U.S. side and that the party that caused the trouble should solve the problem.

On 19 June, the Chinese Wuhan Public Security Organization arrested Chinese-American Harry Wu for il-

legally obtaining state secrets and conducting criminal activities by sneaking into China by using an alias. The relevant organizations in China informed the U.S. Embassy in China of Harry Wu's arrest. Upon the request of the U.S. Embassy in China, the U.S. consul general met with Harry Wu in Wuhan with the Chinese Government's approval.

According to a broadcast report from the Voice of America, the speaker of the U.S. House of Representatives strongly denounced China for arresting Harry Wu. He, in a television interview, said the United States will take a series of strong political measures against China's action. He said the United States will deliberate on economic sanctions against China in order to deal strikes against the Chinese Government.

On 18 July, a spokesman for the U.S. State Department denied China's assertion that the United States should be responsible for improving Sino-U.S. relations, and said that only when the two sides assume a reasonable attitude, will the tense Sino-U.S. relations ease. The spokesman flatly rejected as totally unbelievable China's persistence that the United States should take steps to solve this issue when the U.S. secretary of state and the Chinese foreign minister meet in Brunei in August.

Foreign news agencies reported that the Sino-U.S. showdown kindled by Li Teng-hui's visit to the United States was worsened by China's arrest of Harry Wu and predicted that the situation will be aggravated further.

South's Call for Military Preparedness Denounced

SK2407055595 Pyongyang KCNA in English
0540 GMT 24 Jul 95

["Third-Rate Trick" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 24 (KCNA) — The South Korean puppets recently held a "meeting of commanding officers of operational units" allegedly for an "analysis of service in the first half of 1995" and fostered the war fever, crying for "maintaining a full preparedness to cope with contingency" under the groundless pretext that the North has staged a "large-scale naval and airforce exercise", putting spurs on "arms development" and "war preparations."

Commenting on this outburst of the puppets reversing black and white, NODONG SINMUN today says it is the Kim Yong-sam group, a despicable colonial war servant, that is hell bent on war preparations, staging large-scale military manoeuvres and reinforcing Armed Forces.

The analyst further says:

The South Korean puppets recently staged a "three-service combined exercise" and "95 coastal landing operation" and are now staging an anti-North exercise dubbed "Freedom Banner 95" in the vicinity of Pohang. They are also pushing ahead with arms buildup.

Though they are talking black into white to shove off the criminal responsibility for increasing tension and war danger in the Korean peninsula to the North, it can never work.

The world people consider that such a sophism of the puppets is just a third-rate trick of the traitors on the edge of destruction to divert elsewhere the public resentment at them and stave off the ruling crisis.

The puppets must stop such a rash act as a puppy knowing no fear of the tiger.

Negative Reaction to South's Kwangju Decision

NDFSK Condemns Decision

SK2307081295 Pyongyang KCNA in English
0806 GMT 23 Jul 95

[FBIS Transcribed Text] Pyongyang, July 23 (KCNA) — A spokesman for the National Democratic Front of South Korea (NDFSK) released a statement on July 21 denouncing the Kim Yong-sam group for its decision not to prosecute all of those involved in the Kwangju massacre, Seoul-based radio Voice of National Salvation reported.

The statement said the decision is an intolerable insult to the Kwangju martyrs who fought for democracy and reunification and a vicious challenge to all of the people who have persistently fought to make a turning point of democracy by probing the truth behind the Kwangju massacre and punishing the principal.

Recalling that since he came to power, the traitor Kim Yong-sam has veiled the truth behind the incident and fooled the public demand for the punishment of the principal, the statement said that with the Kim Yong-sam clique left alone, it is impossible to achieve democracy, let alone a proper solution to the Kwangju problem.

All the national democratic movement organizations and patriotic people from all walks of life must invigorate the mass struggle to sternly punish Chon Tu-hwan-No Tae-u group involved in the May 18 incident through a judgement of history and overthrow the traitorous Kim Yong-sam group shielding the criminals, the statement said.

Decision 'Unreasonable'

SK2207101495 *Pyongyang KCNA in English*
1004 GMT 22 Jul 95

["Puppets Criticised for Defending Kwangju Murderers"
— KCNA headline]

[FBIS Transcribed Text] *Pyongyang, July 22 (KCNA)*
— The Kim Yong-sam group in a "general result of investigation" by the prosecution related to the "May 18 Kwangju movement for democracy" on July 18 decided not to institute a public action against the "rebellion" of all those involved in the Kwangju massacre including traitors Chon Tu-hwan and No Tae-u.

They were human butchers and fascist murderers who turned Kwangju into a bloodbath of the innocent people who rose up in a struggle for democracy. This notwithstanding the puppets contended that the murderers were found not guilty.

NODONG SINMUN today brands their allegation as a challenge to the resistance fighters of Kwangju and an insult to the South Korean people who still denounce their slaughter with surging indignation.

The analyst says:

No sooner had he taken office than the traitor Kim Yong-sam went back on his promise that he would probe the truth behind the Kwangju incident and punish the chief culprits. Still worse, he has undisguisedly tightened his political tieup with Chon Tu-hwan and No Tae-u.

The "civilian"-veiled ruling quarters are defending the murderers who should be tried and punished, while handcuffing the patriotic-minded people advocating independence, democracy and reunification. This is their political mode.

With the publication of what they call "investigation result", the puppet clique are trying to bury in oblivion the truth behind the Kwangju incident, a historical fact, and help the murderers go scotfree. However, this is a miscalculation.

A MINJU CHOSON analyst says the "civilian" fascist clique's recent decision not to take a legal action against the Kwangju killers is an entirely unreasonable, anti-historical, anti-national criminal act to keep the truth behind the Kwangju incident away from the public and leave them unpunished.

If the Kim Yong-sam group persists in defending the Kwangju murderers, ignoring the repeated calls of the people for their punishment, it will run into a stronger resistance of the South Korean people and face destruction in the long run, the analyst adds.

Sit-in Strikes in South

SK2207102695 *Pyongyang KCNA in English*
1008 GMT 22 Jul 95

["Decision Not To Prosecute Those Related to Kwangju Massacre Protested" — KCNA headline]

[FBIS Transcribed Text] *Pyongyang, July 22 (KCNA)*
— The decision of the South Korean puppet authorities not to prosecute those related to the Kwangju massacre is under fire in South Korea, according to a radio report from Seoul.

Bereaved families of the May 18 incident and injured persons in Kwangju and South Cholla Province entered into an indefinite sit-in strike in demand of prosecution of those responsible for the massacre on the evening of July 19.

They said that they will continue the sit-in till all the persons who committed bestial murderous acts are punished, and they will pay protest calls at "Chongwadae" [presidential offices], the "supreme public prosecutor's office" and the "Democratic Liberal Party" building to push their demand.

The human rights committee of the National Council of Christian Churches of South Korea denounced the puppet authorities' decision not to prosecute those related to the Kwangju massacre as an act against history, which acquits the murderers of the crimes.

The Presbyterian Church also condemned the puppet authorities' abandonment of the right to arraignment against the murderers as an act of avoiding their responsibility before history for a sinister political purpose.

Protests Held

SK2307091095 *Pyongyang KCNA in English*
0835 GMT 23 Jul 95

[FBIS Transcribed Text] *Pyongyang, July 23 (KCNA)*
— A struggle against the South Korean puppet authorities' decision not to prosecute those related to the Kwangju massacre continue in Seoul and Kwangju for five days in succession, according to radio reports from Seoul.

In Seoul the People's Committee for Probing the Truth Behind the May 18 Incident and Inheriting the Kwangju Resistance consisting of representatives of organisations held a meeting on July 22 to denounce the non-prosecution of those responsible for the May 18 Kwangju massacre and to urge prosecution.

The participants strongly demanded the punishment of those related to the May 18 incident, shouting slogans

such as enactment of a special law, punishment of the principal and withdrawal of the decision.

On the same day, some 400 students of the Kwangju and South Cholla Provincial General Student Council staged a demonstration in Kwangju in demand of the withdrawal of the decision not to prosecute those related to the Kwangju massacre.

The Kwangju and South Cholla Provincial Joint Measure Committee for Commitment of the Principal of the May 18 Massacre to Court held a press conference on July 21, at which it declared the puppet authorities' decision to abandon the right to arraignment null and void.

The Kwangju Church of the Presbyterian Church held a ceremony for praying for urging to bring a suit against those related to the May 18 incident, and published a statement. It expressed the determination to wage a continuous struggle for a correct solution to the question.

The Bar Association of South Korea on July 20 published a statement rejecting the decision not to prosecute those related to the Kwangju massacre and strongly demanded a legal action against them.

Protests Continue for 5th Day

SK2407050895 Pyongyang KCNA in English
0457 GMT 24 Jul 95

[FBIS Transcribed Text] Pyongyang, July 24 (KCNA) — More than 8,000 people of all walks of life in South Korea Saturday held the fifth consecutive day of protest against the puppet authorities' recent decision not to institute a public action against those involved in Kwangju massacre, according to foreign news reports from Seoul.

A rally and a demonstration in Seoul drew some five thousand students and citizens.

The protesters at the rally shouted "Punish Chon Tu-hwan and No Tae-u," the former dictators and chief culprits of the massacre, and burnt them in effigy. And they demonstrated, accusing the traitor Kim Yong-sam of defending the criminals, and calling for the withdrawal of the decision not to institute a public action against those involved in the bloodbath.

The demonstrators shouted "Down With Kim Yong-sam." They had a fierce clash with fascist police.

Kwangju citizens and members of bereaved families of Kwangju martyrs, over three thousand in all, marched in a demonstration in protest against the decision.

Students' clashes with riot police were reported from Taegu and other provincial capitals on the same day.

Koreans in Japan React

SK2407052695 Pyongyang KCNA in English
0511 GMT 24 Jul 95

[FBIS Transcribed Text] Pyongyang, July 24 (KCNA) — The Federation of South Koreans in Japan for Democracy and Unification (Handongnyon) published a statement on July 19 denouncing the South Korean authorities for their decision not to prosecute all those involved in the Kwangju massacre.

The statement said the Kim Yong-sam group abandoned the right to prosecute the Kwangju massacre criminals of its own accord. This is an anti-historical and anti-national measure taken by the present "regime" to protect the new military, the statement said.

If the Kim Yong-sam "regime" continues concealing the crimes of the murderous group and shielding the criminals contrary to the will of the people, they would be sternly punished by the people, the statement said, adding that the Kim Yong-sam "regime" should cancel the decision and prosecute and punish all of the murderers.

Mun Ik-hwan's Widow Visits Mother's Grave

SK2307081995 Pyongyang KCNA in English
0811 GMT 23 Jul 95

[FBIS Transcribed Text] Pyongyang, July 23 (KCNA) — The visiting Presbyterian Pak Yong-kil, widow of Rev. Mun Ik-hwan, chairwoman of the 70 Million Korean People's Meeting for Embracing National Unification and co-chairwoman of the Family Movement for Realising Democracy in South Korea, visited her mother's grave in Tongchang County, North Pyongan Province, on July 21.

She was accompanied by a Japan-resident Korean Chong Kyong-mo, representative of the magazine SSIARUI HIM.

She made a deep bow before the grave 53 years after she visited it last.

She sang the song which her mother liked in her lifetime and said she would come again when the country is reunified.

South's Joint Festival Committee Meets Press

SK2407060495 Pyongyang KCNA in English
0531 GMT 24 Jul 95

[FBIS Transcribed Text] Pyongyang, July 24 (KCNA) — The South side preparatory committee for joint national functions marking the 50th anniversary of the August 15 liberation held a press conference in Seoul on

July 22 concerning the tripartite meeting of the North, South and abroad to hold a grand national reunification festival, according to a report.

The document which was published at the press conference says the South side preparatory committee which was formed by 140 civilian organisations in South Korea on April 22 has made preparations for holding on August 15 the joint national functions of compatriots in the North, South and abroad to open the way of national reconciliation and reunification.

The South side authorities, however, did not allow working-level contacts between the North and South unreasonably and did not accept the application for approval of contacts. They still remain unchanged in their attitude, the document notes, adding:

The South side preparatory committee held a joint meeting of representatives on July 19 and conveyed to the North and the overseas side the will of all people in the South toward the nation's joint functions. As a result, an agreement on the nation's joint functions was adopted and published.

Welcomed by North

SK2307084695 *Pyongyang KCNA in English*
0841 GMT 23 Jul 95

["NODONG SINMUN Hails Inauguration of National Preparatory Committee" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 23 (KCNA) — We warmly hail and support the inauguration of the "National Preparatory Committee for the Grand National Reunification Festival Marking the 50th Anniversary of National Liberation" and express the expectation and belief that it will push ahead with preparations for the festival in a unified way at an early date to suit its mission and task and contribute to holding the reunification festival common to the nation with success, says NODONG SINMUN today in a commentary titled "Welcome To National Preparatory Committee".

Those who have the same will to accelerate reunification in the 90s should actively turn out in the struggle to make a success of the grand reunification festival in unity, whether they live in the North, the South or abroad, irrespective of differences in political view, religious belief, organisation and affiliation, the news analyst says, and continues:

The Grand National Reunification Festival can be held with success only through a nationwide struggle to check and frustrate the anti-reunification and confrontation manoeuvres of the splittist forces blocking it.

The pro-reunification patriotic forces in South Korea should counter the criminal moves of the South Korean anti-reunification group seeking fascism, treachery, confrontation and division and the partitionists' anti-reunification dissension moves with the strategy of unity, ensure unity in action, strengthen solidarity struggle and wage a powerful struggle to remove all the legal and institutional machines including the "National Security Law" which blocks the reconciliation and unity of the nation in particular, and thus open the way to the Grand National Reunification Festival.

The overseas compatriots should heighten vigilance against the division and dissension moves of the anti-reunification forces abroad, make an active contribution to holding the festival in firm unity and actively support and encourage the righteous struggle of the South Korean pro-reunification patriotic forces.

All the reunification patriotic forces at home and abroad should successfully hold the Grand National Reunification Festival marking the 50th anniversary of national liberation in firm unity and make a breakthrough in reunification in the 90s.

South 'Obstructing' Festival

SK2407053495 *Pyongyang KCNA in English*
0518 GMT 24 Jul 95

[FBIS Transcribed Text] Pyongyang, July 24 (KCNA) — The North side preparatory committee of a grand national reunification festival marking the 50th anniversary of the country's liberation released a statement Sunday denouncing the South Korean authorities for obstructing a joint celebration of the anniversary by Koreans in the North, South and overseas.

As soon as a joint agreement of the North, South and overseas preparatory committees was published, they announced that they would not allow the joint celebration at Panmunjom as they had already "stated," the statement said, and continued:

On July 22, a spokesman for the "National Unification Board" said it was decided not to allow the Panmunjom joint function in the grand national reunification festival marking the 50th anniversary of the country's liberation, which was agreed on by the South and North preparatory committees. This fully reveals again the divisive intention to balk at a contact between fellow countrymen and prevent a cosponsorship of the August 15 festival by Koreans in the North, South and overseas. This is also an unpardonable anti-national, anti-reunification fascist outrage.

It is anachronistic and intolerable that the Kim Yong-sam group is not allowing the joint celebration of the

liberation anniversary, claiming that the contact the South side preparatory committee had with the North side preparatory committee was a "violation of law."

The reunion of compatriots living separated from each other and their joint struggle for reunification are not a thing which needs others' permission.

If the ardent desire of compatriots to meet each other 50 years after the country was divided is criminalized, such an act is not proper to those of the same nation.

The South Korean authorities must make clear which of the fellow countrymen's concert, photo and art exhibitions and grand seminar of reunification they do not like and how such a function is contrary to the law.

Since the national preparatory committee involving the compatriots in the North, South and overseas was inaugurated, the Panmunjom festival will surely be held with a large attendance.

We are convinced that the South side preparatory committee will resolutely smash the "civilian" fascists' obstructive moves against the festival with solidarity and united struggle of all political parties, groupings and social strata and staunchly struggle to creditably implement the joint agreement.

The North side preparatory committee will make every possible effort to have the Panmunjom joint function held with a large attendance as agreed by the North, South and overseas and make a breakthrough for the reunification of the country in the '90s through the festival.

Confederation Only Means to Reunification

SK2307090595 *Pyongyang KCNA in English*
0857 GMT 23 Jul 95

["Great Principle of Defining Method of National Reunification" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 23 (KCNA) — The only and quickest way for the North and the South to reunify the country peacefully by ending national division and reconciling and uniting each other as a homogeneous nation is to put into practice the great principle of defining the method of national reunification by means of confederation on the basis of one nation, one state, two systems and two governments. NODONG SINMUN says this in a signed article today.

It quotes the great leader Comrade Kim Il-song as saying:

"Reunification by means of confederation on the basis of one nation, one state, two systems and two governments is the great principle of defining the method of national

reunification suited to the present situation in our country".

The great principle put forward by President Kim Il-song is the most reasonable charter for national reunification indicating the short cut to achieving national reunification in the 90s in conformity with the independent demand and interest of the entire Korean nation and the present situation of Korea, the article says, and goes on:

Because reunification by means of confederation is the only way to achieve the peaceful reunification of the country as early as possible under the present situation of Korea.

The two different systems and governments are now existing in the North and the South of Korea and neither of them wants to concede its own.

Their unification into a single system is infeasible, and when it will be realised is unpredictable. Worse still, establishing a single system presupposes one side eating away the other, regardless of the methods, so it is unacceptable to any side. If one side tries to force what is unacceptable on the other, it will inevitably aggravate distrust and confrontation and, further, cause conflicts and an irretrievable national disaster.

And because it is based on a scientific analysis that the two different systems and governments may exist in a national state.

The Korean nation is a homogeneous nation which has created a national culture with the same blood and language in one territory for thousands of years with Tangun as its father. No other nation is stronger in nationality than the Korean nation.

If there is anything different between the North and the South, it is the heterogeneity related to the two systems which have existed for a half-century; it can be no big problem when compared to the national homogeneity which has been formed and consolidated for thousands of years.

If reunification is based on the national commonness which has been inherited down through history, the two systems can coexist within the bounds of one nation and one united state.

We can leave the matter of unifying the different systems in the North and the South into a system to our posterity for its slow but smooth settlement in the future. But we must not delay any longer the matter of establishing a unified state as one nation transcending the difference in ideas and systems.

Alleged ANSP Agent Defects to North

SK2407110795 *Pyongyang KCNA in English*
1026 GMT 24 Jul 95

[FBIS Transcribed Text] Pyongyang, July 24 (KCNA) — South Korean Rev. An Sung-un came over to the northern half of Korea some time ago.

His wife, son and two daughters are now in South Korea.

Noting what motivated him to come over here, he said:

I was dispatched to the Yanbian area of China on a mission given by the puppet Agency for National Security Planning [ANSP] to allure and kidnap cadres of the northern half of Korea. Meeting some persons from the DPRK, I deeply realised it would be an indelible crime against the country and the nation to entice and abduct them, and gave up my mission of my own accord.

The puppet ANSP pressed me almost every day to do my mission and openly threatened my personal safety at the end.

Therefore, I have come over here with a view to getting rid of impending personal danger and committing no crime against the country and the nation.

He is now much pleased with his successful defection.

Japan's Defense White Paper Criticized

SK2267114695 *Pyongyang Korean Central Broadcasting Network in Korean*
1224 GMT 21 Jul 95

[Unattributed commentary: "Confrontation Will Only Bring About Bad Results"]

[FBIS Translated Text] Things that seriously provoke us are taking place in Japan. The Japanese Defense Agency has recently issued a 1995 edition of a so-called defense white paper.

In the white paper they defined our country as the first object of their defense. The defense white paper is published in Japan every year putting forth a so-called defense policy. Japan seldom refrained from heaping abuse on us in their white papers, and they have been stepping up the intensity of abuse. For instance, Japan defined us as the third object of their defense in the 1994 defense white paper, and as the first object of their defense in the 1995 defense white paper. In other words, the most dangerous potential aggressor against Japan is the DPRK. Therefore, they maintain that Japan should be equipped with the defense capability to cope with it.

The Japanese criticism of us is absurd. We make independence, peace, and friendship the invariable ideals of

our foreign policy. We wish to maintain peaceful and friendly relations with the Japanese people. It is Japan that threatens us who have such wishes.

In fact, Japan defined our country as the first object of their aggression and is accelerating preparations for it. They are conducting military exercises in preparation for contingency on the Korean peninsula, and the armed forces of the Self-Defense Forces are concentrated in the western region of Japan near our country.

It is the invariable scheme of the Japanese reactionaries to wage the first step of their overseas expansion on the Korean peninsula. For this they need an excuse.

As has been well known, a DPRK-U.S. agreement was made in connection with the nuclear issue and is at the implementation stage. Therefore, Japan has no basis or reason to find fault with us in connection with the nuclear issue. Nevertheless, the Japanese reactionaries are inspiring consciousness of confrontation with us, continuously raising such problems. This clearly proves that they are trying to provide an excuse for the realization of their ambition for reinvasion of the Korean peninsula. This is one of the points we are concerned about.

Neither the peoples of the DPRK nor Japan want their countries to remain close but distant countries forever. The peoples of the two countries long for improved relations between the DPRK and Japan.

Since the adoption of the four-party agreement on the resumption of DPRK-Japanese talks, voices at home and abroad have been increasingly calling for improved DPRK-Japanese relations. It is very obvious how the situation will progress if it develops in such a way as to inspire confrontation at a time like this. It will adversely affect the improvement of relations between the DPRK and Japan.

The more the confrontation between the DPRK and Japan is aggravated and the more DPRK-Japanese relations worsen, the more disadvantageous it will be for Japan, and we will lose nothing from it. The Japanese authorities had better see the situation squarely and act with reason.

Kim Chong-il Receives Messages From Abroad**From Foreign Party Leaders**

SK2407103395 *Pyongyang KCNA in English*
1006 GMT 24 Jul 95

[All names as received]

[FBIS Transcribed Text] Pyongyang, July 24 (KCNA) — The great leader Comrade Kim Chong-il received

messages from foreign party leaders on the occasion of the first anniversary of the great leader President Kim Il-song's death.

Among them are Secretary General of the Executive Committee of the African Party for the Solidarity and Justice of Mali Ibrahima N'diaye, Secretary General of the Movement to Socialism of Venezuela Leopoldo Puchi, Chairman of the Democratic Renovation Party of Portugal Manuel Vargas Loureiro, National Chairman of the National Movement of the Genuine Lumumbist Combatants of Zaire Otete Gaston Mboyo, General Secretary of the Permanent Secretariat of the Organization of Socialists in the Mediterranean Milud al Mahdabi, leader of the People's Democratic Movement of Guyana Llewelyn John, national Secretary General of the Socialist Political Action Party of Peru Gustavo Mohme Ryona, president of the Patriotic Federation of Venezuela Radames Larazabal, general secretary of the Socialist Party of Peru Luis Mateo Munos, secretary general of the National Direction Committee of the Sudanese Union-African Democratic rally in Mali Mamadou el Bechir Gologo and Secretary General of the Popular Liberation Movement of Angola Lopo Fortunato Ferreira Do Nascimento.

The messages noted that President Kim Il-song was a great statesman, father of the people, who devoted all his life to the victory of socialism, development of Non-aligned Movement, peace in the world, friendship among the people and liberation of humankind. They went on:

Though President Kim Il-song passed away, his immortal exploits will remain for all ages in the hearts of the world progressive people with his august name.

The messages paid noble reverence to Comrade Kim Chong-il who is successfully carrying forward man-centred socialism, the chuche revolutionary cause pioneered by President Kim Il-song.

Comrade Kim Chong-il also received a message from the direction council of the Arab Islamic Democratic Movement of Jordan.

From Sri Lankan President

SK2207044295 Pyongyang KCNA in English
0419 GMT 22 Jul 95

[FBIS Transcribed Text] Pyongyang, July 22 (KCNA) — A message of greetings was sent to the great leader Comrade Kim Chong-il by Sri Lankan President Chandrika Bandaranaike Kumaratunga on the 25th anniversary of the opening of diplomatic relations between the Democratic People's Republic of Korea and the Democratic Socialist Republic of Sri Lanka.

The message dated July 13 extends best wishes to his excellency Kim Chong-il and the DPRK Government and people on the occasion on behalf of her government and people.

Kim Chong-il's Work on Ideology Viewed

SK2407112895 Pyongyang KCNA in English
1018 GMT 24 Jul 95

["Giving Priority to Ideological Work Is Intrinsic Requirement of Working-Class Party" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 24 (KCNA) — The great leader Comrade Kim Chong-il in his famous work "Giving Priority to Ideological Work Is Essential for Accomplishing Socialism" put forward the idea that a working-class party should hold fast to ideology as the main factor and do ideological work before all other work.

Comrade Kim Chong-il said:

"Only when it holds fast to ideology as the main factor and does ideological work before all other work can the working-class party fulfil its mission and duty as the leading political organization which sets the pace for the masses' independence."

NODONG SINMUN notes in a by-lined article today:

This idea which is indicated in the work is a just idea based on a scientific penetration into the nature and mission of the party.

If it is to successfully carry out its mission to remove all manner of domination and subjugation and fully realize the popular masses' independence, the working-class party should hold fast to ideology as the main factor and give priority to ideological work. The most powerful way of arousing the popular masses to the revolution and construction is to strengthen ideological work to arm them with the revolutionary idea and arouse their ideology and enthusiasm.

The party should do ideological work to arm the broad masses with independent consciousness and the revolutionary idea of the working-class and organize and mobilize them to the accomplishment of the socialist cause.

The deepest love of the working-class party for the popular masses is to do ideological work well and arm them with independent consciousness. This is the revolutionary duty of the working-class party which serves them.

This idea of the work is a just idea which reflects the rich experience of the Workers' Party of Korea.

Kim Chong-il's Works Disseminated Abroad

SK2407104995 *Pyongyang KCNA in English*
1009 GMT 24 Jul 95

[FBIS Transcribed Text] Pyongyang, July 24 (KCNA) — Symposiums on the famous work of the great leader Comrade Kim Chong-il "Giving Priority to Ideological Work Is Essential for Accomplishing Socialism" were held in Guyana and Togo.

Peter Persaud [name as received], leader of the Amerindian Action Movement of Guyana, at the symposium sponsored by the group for the study of Kimchongilism of the movement referred to the basic content of the work and said that it is a very important work which the socialist forces and progressive people of the world should firmly maintain in the struggle for socialism.

The Lome, Togo, group for the study of the chuche idea also held a symposium on the work.

The speakers said that the secret of Korea vigorously advancing under the banner of socialism is that it regards the chuche idea founded by the great President Kim Il-song as the guidelines and firmly arms all the people with the idea.

A meeting of explaining the work was held in Russia.

Giving Priority to Ideological Work Stressed

SK2307110995 *Pyongyang NODONG SINMUN*
in Korean 25 Jun 95 p 3

[Article by Pak Chong-nam: "Chuche-Oriented Ideology and Theory on Giving Priority to Ideological Work"]

[FBIS Translated Text] Based on the noble experience that he has attained while wisely leading the party's ideological work and socialist construction for a long time and on his profound analysis of the historic lesson regarding the collapse of socialism in many countries, the great leader [yongdoja] Comrade Kim Chong-il has published this time the immortal classical work "Giving Priority to Ideological Work is an Indispensable Requirement for Accomplishing the Cause of Socialism."

The respected and beloved leader Comrade Kim Chong-il's work is an immortal library of socialist ideological work that has extensively systematized and synthesized the ideological theory of chuche that was creatively expounded by our party in its early days. It is also a mighty and militant weapon in strengthening and developing anew the present socialist movement.

That the great leader Comrade Kim Chong-il has published the completed program of socialist ideological work with his extraordinary political judgment and sci-

entific wisdom is an historic event that has provided an occasion for a momentous turnaround in the activities of the working-class party and in the accomplishment of the cause of socialism. It also constitutes a significant, felicitous event that has greatly contributed to developing socialist ideology and its cause.

What is particularly important in the immortal achievements of the respected and beloved leader Comrade Kim Chong-il, who extensively consummated the ideological theory of chuche, is that he has perfectly elucidated the ideological, theoretical, and philosophical reasons for giving priority to ideological work in carrying out the cause of socialism.

The great leader Comrade Kim Chong-il has indicated: "Giving priority to ideology is an indispensable requirement for carrying out the cause of socialism." To successfully carry out the cause of socialism, it is imperative to firmly grasp ideology as the basis and to give priority to ideological work over all other work.

Clearly elucidating the ideological, theoretical, and philosophical grounds for giving priority to ideological work in the accomplishment of the cause of socialism is of vital significance in correctly realizing the position and role of ideological work in socialist society and in firmly deepening the ideological fortress of socialism.

In his classical work the great leader Comrade Kim Chong-il has first scientifically elucidated that giving priority to ideological work in the accomplishment of the cause of socialism constitutes the inherent demand of the socialist system itself.

To correctly understand that giving priority to ideological work in the accomplishment of the cause of socialism constitutes an indispensable requirement, it is imperative to have the clear understanding of the role that ideological work plays in the birth, development, and consummation of socialist society.

In his classical work the respected and beloved leader Kim Chong-il, by creatively elucidating that the socialist system is a society which is born, developed, and consummated under the guidance of socialist ideology, unlike the capitalist society, has scientifically proven that giving priority to ideological work constitutes an indispensable requirement in the accomplishment of the cause of socialism.

As elucidated in the classical work, the principles of the birth of socialist society and its development and consummation are entirely different from the principles of emergence and development of capitalist society.

The capitalist system is an exploiting system that has turned enslavement by social status into enslavement

by capital and has grown up within the fence of a feudal society. However, the socialist system is a new system entirely different from all forms of the exploiting system and cannot, therefore, grow up within the fence of capitalist society.

Socialist ideology emerges, reflecting the demands of the exploited popular masses struggling against domination by capital. The socialist system is born by the struggle of the popular masses who have been awakened with socialist ideology.

Capitalism and socialism differ completely even in the principle of social development. Unlike the capitalist society in which money is everything, socialist society is guided by socialist ideology. The socialist society is also a society that is developed with socialist ideology as the main driving force.

The socialist society is a society that is developed by the ideological activities of the people armed with socialist ideology. Herein lies the essential characteristics of socialist society. Therefore, the consolidation and development of socialism and its destiny depend upon how ideological work is done and how people are prepared ideologically. This tells us that to develop and consummate socialist society, it is imperative to firmly grasp ideological work.

In his classical work the respected and beloved leader Comrade Kim Chong-il has defined anew the inherent nature of ideological work to be carried out by the working-class party, and he has extensively elucidated the significance and role of ideological work based on his scientific analysis of the essential superiority of socialism and the source of its might and on his profound analysis of the historic lessons in socialist construction.

Ideological work in the accomplishment of the cause of socialism is carried out by the working class. For the working-class party struggling for the popular masses' cause of independence, there is nothing so important than to carry out ideological work.

By nature, the working-class party is a guiding political organization that awakens the popular masses and that organizes and mobilizes them into the revolution and construction, using ideology as a weapon.

Ideology is the only weapon of the working-class party. It is also a most powerful weapon. Only when the working-class party firmly grasps ideology and gives priority to ideological work over all other work can it perform the duty and mission as the leading political organization that guides the popular masses' cause of independence.

In his work, respected and beloved Comrade Kim Chong-il elucidated that the working-class party's ideological work struggling for socialism is the ideological and theoretical work which deepens and develops socialist ideology in conformity with the demands of the times and the development of the revolution. At the same time, it is the ideological indoctrination work which arms the popular masses with socialist ideology.

The working-class party should prepare correct guiding ideology and theory that suit the circumstances, the change in the times, and the developing reality, and do a good job in carrying out the indoctrination work to arm the popular masses with those guiding ideology and theory. Only then can the working-class party check the revisionist discoloration of socialist ideology or doctrinist inertia; carry out socialist construction according to the correct guiding policy; strengthen the main force of socialist society and enhance its role to fully display the superiority and power of socialism and protect socialism to the end. The frustration of socialism in some countries resulted after all from the lack and discoloration of scientific and revolutionary ideology and theory and from the negligence of the ideological indoctrination work on the popular masses.

In his work, respected and beloved Comrade Kim Chong-il has perfectly explained on the basis of his scientific elucidation on the nature of the socialist society and the source of its superiority and might that giving priority to ideological work is essential for accomplishing the socialist cause. Thereby, the historical truth that if socialism gets hold of ideology, socialism will triumph, but if it loses ideology, socialism will go to ruin has been proved profoundly in a theoretical and practical way. In addition, the working class-party has been provided with a basic guideline to be maintained in the entire historical course of the accomplishment of the socialist cause.

In his work, the great leader Comrade Kim Chong-il has also given a comprehensive exposition of the church-based viewpoint of the role of ideological consciousness, clarifying the philosophical reasons for making ideological work a priority in accomplishing the socialist cause.

The main stress should be put on ideology, and ideological work should take precedence over other work in the socialist cause. This demand is based on the church point of view toward the role of ideological consciousness in the activities of people.

Respected and beloved Comrade Kim Chong-il has extensively systematized the church theory on the decisive role played by ideological consciousness in the activities of people. In doing so, he has not only

further deepened and developed the socialist idea but also clearly expounded the philosophical reasons to give priority to ideological work for the accomplishment of the socialist cause.

Various factors influence people's activities. In addition, attaching great importance to one of those factors is of great significance in pioneering the people's destiny and in developing society. However, a correct answer to this question was not given in the past.

The religious and idealistic view claims that people's activities and destiny are determined by some sort of supernatural and mysterious being. The materialist view also claims that a decisive factor influences the activities of people from material conditions.

These views all found that factors decisively influencing activities of people were outside the people, and merely saw man as a passive being, thereby failing to contribute to pioneering the destiny of man. Man is a social being that wages independent and creative activity with a consciousness. Man is not only influenced by objective conditions but also actively utilizes and changes objective conditions.

Respected and beloved Comrade Kim Chong-il has comprehensively analyzed the role played by ideological consciousness and knowledge, and objective conditions and consciousness, in man's activities. On this basis, he has profoundly proved the truth that ideological consciousness plays a decisive role. In doing so, he has provided a correct scientific and ideological guiding principle with which man can vigorously march on the road to developing and completing socialism, the road to pioneering man's true destiny, by enhancing the role of ideological consciousness.

The role played by ideological consciousness in pioneering man's destiny can differ according to the contents of the ideological consciousness.

Ideological consciousness that reflects the intrinsic demand of man, the master of the world and the reformer of the world, is an independent ideological consciousness.

Respected and beloved Comrade Kim Chong-il propounds the essence of the ideological consciousness of independence, consciousness reflecting the intrinsic requirement of man, and the absolute advantages of the socialist ideology, an ideology in the highest stage of the development of ideological consciousness of independence. Thus, he fully proves the necessity of ideological work as a main link to strengthen the socialist advantages and its might, and step up revolution and construction.

Basing himself on a scientific analysis of all factors affecting the development of ideological consciousness of man in socialist society, the great leader Comrade Kim Chong-il clearly proves in his work that giving priority to ideological work is essential for the accomplishment of the socialist cause.

Various factors come into play in the development of the people's ideological consciousness in socialist society. The position and importance of ideological work in carrying out the cause of socialism can only be correctly understood on the basis of clearly grasping these factors.

The economic and material basis of socialist ideology is socialist economic relations. Socialist economic relations, whose basis is socialist ownership, provides the material condition that enables the popular masses to acquire and solidify socialist ideology.

Because the respected and beloved Comrade Kim Chong-il clearly elucidated in his work the influence of socialist economic relations on the development of the people's ideological consciousness, the reactionary nature of the criminal maneuvers of those socialist traitors who introduce capitalistic ownership relations and economic management methods has been thoroughly exposed, and a clear method has been set forth to further solidify the basis of the socialist ideological position by solidifying and developing socialist economic relations and the socialist management method. Although the material condition plays an important role in the development of the people's ideological consciousness, people do not automatically come to have a socialist ideology even though a socialist system is established and a socialist economic and material foundation is firmly established.

The main obstacles to the development of people's ideological consciousness in a socialist society are the old ideologies that remain within, as well as all sorts of reactionary ideologies, including bourgeois ideology, that infiltrate from outside.

Old ideologies, including individualism, are a very stubborn conservative ideologies that have taken root deep in the people's consciousness, customs, and life for thousands of years; they revive and spread extensively, even in a socialist society, when even the slightest crack occurs or conditions favorable to it are created. Thus, arming people in a socialist society with a socialist ideology cannot be easily achieved.

The work to rid people of old ideologies and arm them with a new socialist ideology in a socialist society is an ideological revolution to bring forth a fundamental change in the people's ideological life; this can only be

achieved through steady and active ideological indoctrination and through ideological struggle.

It is this characteristic of ideological work that makes it an essential requisite to place priority on ideological work more than any other work in a socialist society.

However, in the past, not a few parties failed to deeply heed ideological work, taking at face value the proposition of the materialistic conception of history that the material economic condition of society defines socialist consciousness and that social consciousness changes according to changes in the material economic condition; they thought that if a socialist system were established and socialist construction pushed ahead along with the enhancement of the people's material and cultural life, then ideological consciousness would change accordingly.

In his work, the respected and beloved Comrade Kim Chong-il clearly elucidated the unscientific and dangerous nature of the view that downgrades the negative effect of old economic relations on the development of the people's ideological consciousness and overestimates the effect of the material economic foundation of socialism on the development of ideological consciousness, as well as the maneuvers to revive old economic relations, giving attention only to economic construction. By so doing, the respected and beloved Comrade Kim Chong-il put forth the most precise guideline that enables us to solidify the socialist ideological position, giving priority to ideology-remaking work, ideological indoctrination, and the ideological struggle.

Truly, the ideological theory the great leader Comrade Kim Chong-il put forth on giving priority to ideological work in carrying out the cause of socialism is an encouraging banner that enables the working-class party, which struggles for socialism, to wage vigorous ideological work with a correct awareness of the position and role of ideological work in a socialist society; to win new victories in the socialist movement; and to adhere and add luster to socialism to the end, overcoming the ideological demolition maneuvers of the imperialists and reactionaries.

The respected and beloved Comrade Kim Chong-il's work "Giving Priority to Ideological Work Is Essential for the Accomplishment of the Socialist Cause," in which each phrase shines with his extraordinary ideological and theoretical wisdom and his profound philosophical thought, and which is consistent with a thorough revolutionary principle and the will for certain victory, is a truly valuable ideological and spiritual food for the revolutionary parties and the progressive people that struggle for socialism, and is an almighty precious

sword that enables us to complete socialism, overcoming all trials.

With great pride in upholding the respected and beloved Comrade Kim Chong-il at the head of the revolution, the most outstanding ideologist and theoretician and a genius of leadership, our people will solidify the socialist ideological position more firmly and will certainly win the ultimate victory of the cause of chuche.

Workers, Soldiers Vow Loyalty to Kim Chong-il

SK2207103095 *Pyongyang KCNA in English*
1017 GMT 22 Jul 95

[FBIS Transcribed Text] Pyongyang, July 22 (KCNA) — An endless stream of people and soldiers is flowing to the Kumsusan Memorial Palace, the supreme holy land of chuche where the great leader President Kim Il-song is preserved in state.

They pay highest tributes to President Kim Il-song, who devoted his whole life to the freedom and happiness of the people and the prosperity of the country.

They, who have spent a year, sorely missing him, take an oath in the supreme holy land of chuche to further glorify the dignity of the Kim Il-song nation and accomplish the revolutionary cause started by him.

Paek Hak-nim, Kim Ik-hyon, Yi Chong-san and others belonging to the first generation of the Korean revolution, who took part in the anti-Japanese revolutionary struggle, guided by President Kim Il-song, pledged themselves to defend the great leader Comrade Kim Chong-il with their lives, always remaining faithful to him.

Major General of the Korean People's Army Kim Song-chin, who fought in the fatherland liberation war, and other war veterans vowed to remain loyal to the idea and leadership of Comrade Kim Chong-il, united closely around him, as wished by the president in his lifetime.

Workers from all parts of the country are unanimous in saying President Kim Il-song, who will be immortal as the sun of chuche, will always remain the symbol of all our victories and glory. They are determined to live and work in blood ties with the fatherly leader President Kim Il-song, always looking up to the Kumsusan Memorial Palace.

An Min-chol, chairman of the management board of the Sowon cooperative farm, and other working people in agriculture said that when they saw the fatherly leader, whom they had eagerly yearned for day and night, they looked back on the days when he visited their farms. They resolved to always hold in high esteem the fatherly leader, who put his heart and soul into agriculture, and

do farming well, true to his behests, so as to support the socialist homeland with rice.

The youths who had already pledged themselves to become five million rifles and bombs to defend Comrade Kim Chong-il with their lives vowed to devote themselves to the accomplishment of the socialist cause, keeping in their minds the teachings of the fatherly leader that the League of Socialist Working Youth of Korea is a reliable main force most valued and loved by the Workers' Party of Korea and Korea will be made more prosperous in the 21st century by the efforts of millions of youths rallied around Comrade Kim Chong-il.

Services Held for Vice Marshal Kim Pong-yul

SK2107151695 *Pyongyang KCNA in English*
1512 GMT 21 Jul 95

[FBIS Transcribed Text] Pyongyang, July 21 (KCNA) — A state funeral for Vice Marshal of the Korean People's Army (KPA) Kim Pong-yul, member of the Central Committee [C.C.] of the Workers' Party of Korea [WPK], member of the National Defense Commission of the Democratic People's Republic of Korea and vice-minister of the People's Armed Forces, was held solemnly here today.

It was attended by Choe Kwang, member of the Political Bureau of the C.C., WPK, vice-chairman of the DPRK National Defense Commission and chief of the General Staff of the Korean People's Army, Vice Marshals of the KPA Yi Ul-sol, Paek Hak-nim and Kim Ik-hyon, members of the WPK Central Military Commission, members of the DPRK National Defense Commission and other members of the State Funeral Committee, officers and men of the KPA and the bereaved family of the deceased.

The family members and relatives of the deceased and the members of the State Funeral Committee expressed condolences before the bier.

Amid the playing of dirge, the coffin was borne to the hearse.

KPA officers and men sent off the hearse, deeply cherishing the memory of the deceased.

The funeral ceremony took place at the Patriotic Martyrs' Cemetery on the outskirts of Pyongyang.

A condolatory address was delivered by vice marshal of the KPA Kim Kwang-jin, member of the WPK Central Military Commission and member of the DPRK National Defense Commission.

He said the late Comrade Kim Pong-yul's was a brilliant life of a true communist revolutionary who devotedly

fought to the last moment for the party and revolution, for the country and the people.

We will always keep in our memory him, who devoted his life to the party and the leader and to the strengthening and development of the People's Army, change the sorrow at the loss of a valuable revolutionary comrade into strength and fighting spirit and staunchly fight for the reunification of the country and the accomplishment of the chuche revolutionary cause under the great leadership of respected supreme commander Comrade Kim Chong-il, he said.

The coffin was buried and wreaths, bouquets and flowers were placed before his tomb.

Workers Increase Production on WPK Anniversary

SK2407105195 *Pyongyang KCNA in English*
1022 GMT 24 Jul 95

[FBIS Transcribed Text] Pyongyang, July 24 (KCNA) — Working people have brought about a great upsurge in production with the approach of the 50th foundation anniversary of the Workers' Party of Korea [WPK].

The February 8 Cement Complex produced 40,000 more tons of clinker and cement in the first half of the year, compared with the same period last year. In July the complex is overfulfilling its daily quota by keeping production on a high and steady level.

The production of hydraulic power stations in different parts of the country was more than 120 percent in the first 20 days of the month as against the corresponding period last year.

The Yanggang Provincial Mining Complex increased the production of nonferrous metal ores by 50 percent above the previous period by working hard in hearty response to the calls published on the 50th foundation anniversary of the WPK.

The Hyongbong, Tokchon and other coal mines of the Tokchon area coal complex are nowadays increasing the production by 20 percent above early July.

The Hungnam Chemical Fertilizer Complex, the Nambung Youth Chemical Complex, the Sinhung Chemical Complex and other enterprises under the Ministry of Chemical Industry have recently supplied more chemical fertilizers to the socialist countryside.

Agricultural working people took steps to cope with the rainy season, and are manuring and cultivating crops with a view to bringing about a bumper year.

Increases in Food, Meat Production Reported

Sungsan County

SK2107114595 *Pyongyang Korean Central Television Network in Korean 1100 GMT 17 Jul 95*

[FBIS Translated Text] An on-the-spot meeting was held to deliver a victory pennant to Sungsan County, which contributed to improving the people's lives by producing a large amount of meat last year, upholding the party's livestock policy. The pennant was in the joint names of the Central Committee of the Workers Party of Korea [WPK], the Central People's Committee [CPC], and the Administration Council.

At the meeting, the victory pennant in the joint names of the WPK Central Committee, the CPC, and the Administration Council was conferred.

The participants who were engaged in discussions stressed the need to organize work down to the last detail in order to implement the party's livestock policy and fulfill this year's meat production plan for the county before the 50th anniversary of the founding of the party, cherishing deep in their hearts the honor of having received the joint pennant of victory, an expression of the respected and beloved General Kim Chong-il's love and trust.

Sinchang Farm

SK2307054395 *Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 22 Jul 95*

[FBIS Translated Text] Workers at the Sinchang seashore farm, which won a red banner of the three revolutions, overfulfilled this year's sea vegetable production plan at 113 percent as of 15 July.

During the period of accomplishing the plan, the functionaries and workers of the farm carried out a vigorous labor struggle to produce as many sea vegetables as possible while tenaciously planning and organizing production work. As a result, they produced 250 tonnes — uppermost 280 tonnes — of sea tangle per chongbo.

The sea tangle shop No. 1, honored with the red banner of the three revolutions, took the leadership in accomplishing this year's plan.

Kaechon Plant

SK2307033195 *Pyongyang Korean Central Television Network in Korean 1100 GMT 22 Jul 95*

[FBIS Translated Text] Workers at the Kaechon food processing plant are vigorously carrying out the struggle to increase the production of delicious and nutritious

foodstuff, bearing deep in their hearts the teaching left by the great leader.

The working class of the plant has overfulfilled its yearly plans every year for the past 20 years, thus actively contributing to the improvement of the people's living standards. Without priding themselves on the results, the plant workers are continuously striving to diversify foodstuffs and increase production.

In particular, with the 50th party founding anniversary ahead, they have modernized all processing lines for producing soft drinks with their own strength and keep increasing production by operating facilities at full capacity.

Currently, the plant produces over 40 kinds of delicious processed foodstuffs, including soy sauce and bean sauce.

South Korea

'Disagreement' on Program Coordinator Discussed

SK2407083795 *Seoul SEOUL SINMUN in Korean 24 Jul 95 p 5*

[Article by Yi To-yon]

[FBIS Translated Text] The ROK, the United States, and North Korea are having a significant disagreement on the role of the program coordinator, which will be an adviser to the Korean Peninsula Energy Development Organization [KEDO]. The disagreement is expected to arouse considerable controversy throughout the progress of the light-water reactor project for North Korea.

Right after the settlement of the light-water reactor negotiations between the United States and North Korea in Kuala Lumpur on 13 June, the ROK Foreign Ministry distributed "A Joint Press Statement of the United States and North Korea," which stated: "Concerning the overall implementation of the light-water reactor project, the role of program coordinator, which will assist KEDO's supervising work, will be taken by a U.S. firm. KEDO will select the program coordinator."

The ROK Government asserted and announced that the role of the program coordinator is limited to "assisting the supervisory work."

However, "A Joint Press Statement of the DPRK and the United States" released by North Korea stated: "A U.S. firm will assist KEDO and become a program coordinator in charge of supervising the overall implementation of the light-water reactor project. The program coordinator will be selected by KEDO."

This means that the program coordinator will not simply assist with the supervising work but become deeply

involved in the "supervision of the overall implementation," including design, production, and installation.

The English press statement released by the United States indicated that a U.S. firm will serve as program coordinator, which will "assist KEDO in supervising the overall implementation of the light-water reactor project," which is closer to the North Korean version.

The definition of the program coordinator's role will decide how much the central role will be reduced for the prime contractor—Korea Electric Power Corporation—and ROK subcontractors.

The ROK Government already wholly accepted the results of the U.S.-North Korean talks held in Kuala Lumpur. Therefore, the ROK in effect recognized the expanded role of the program coordinator. If the ROK Government now objects to the part concerning the program coordinator in the Kuala Lumpur agreement, the selection of the ROK-style light-water reactors will face a crisis.

The United States reportedly conveyed its position to the ROK that the program coordinator should have the right to supervise and approve the design, and to approve the expenditure by the prime contractor.

The Korea Atomic Energy Research Institute asserts that the expansion of the U.S. program coordinator's role will result in a change of design and virtually obscure the principle of the ROK-style light-water reactors.

A high-ranking government official said: "KEDO will renew the contract with the program contractor every year or every other year, and this will prevent domination." However, it is uncertain whether the ROK's will can easily change the program coordinator at the KEDO executive committee, which comprises the ROK, the United States, and Japan.

The ROK Government is burdened with the mistake of misunderstanding or mistranslating the part pertaining to the program coordinator in the U.S.-North Korean agreement.

MOU 'Improperly' Guarantees U.S. Firm's Role

SK2407081795 Seoul YONHAP in English
0716 GMT 24 Jul 95

[FBIS Transcribed Text] Seoul, July 24 (YONHAP) — The role of program coordinator (PC) in the North Korean nuclear reactor project will be strictly limited to assisting the Korean Peninsula Energy Development Organization (KEDO) in supervising construction of two light-water reactors for North Korea, a senior official in charge of the North Korean nuclear reactor project said Monday.

Dismissing reports that the Korea Electric Power Corp. (KEPCO) will be unable to effectively control the PC or get it to use Korean standard nuclear power plants (KSNP) in the North Korean nuclear reactor project for lack of technical expertise, Choe Tong-chin, secretary general of the Office of Planning for the Light-Water Reactor Project, said that the South Korean Government has a clear agreement with the United States limiting the role of the PC and ensuring that the principle of providing KSNP to North Korea is respected.

Choe was answering questions raised by reporters at a joint press conference attended by Choe, Yi Chong-hun, president of KEPCO and Sin Chae-in, head of the Korea Atomic Energy Research Institute (KAERI), at the Foreign Ministry.

On the controversy surrounding the Memorandum of Understanding (MOU) between the KEPCO and Combustion Engineering (CE) of the United States, Choe admitted the MOU improperly guaranteed the American firm's portion well in advance of the North Korean reactor project's start.

"If we (the Foreign Ministry) had known of the MOU before it was signed between KEPCO and CE, we would have made KEPCO exclude the clause governing the North Korean reactor project from the MOU, although we have nothing to do with KEPCO's business in third countries," he said.

Admitting that the Foreign Ministry was not consulted about the MOU before it was signed, Choe insisted that any MOU or agreement commercially signed between KEPCO and CE cannot legally bind the South Korean Government and KEDO which is in charge of providing nuclear plants to North Korea.

"The South Korean Government or the KEDO executive board, to which I'm a member, will not accept any attempts by KEPCO, CE or an American PC to undermine the principle of using KSNP in North Korea and South Korea's central role in the North's reactor project," he said.

Stressing that the role of the PC will be restricted to providing technical assistance to KEDO and acting as a point of contact with the North, which consistently refuses to accept South Korea as a partner, Choe also said that while signing a contract with an American PC, KEDO will focus on whether it can cooperate well with KEPCO or KAERI.

He claimed that the PC is not in a position to make any decisions about the provision of KSNP to North Korea, adding that KEDO will put an end to an employment contract with PC if it wants to make a decision beyond its rights provided by KEDO.

KEPCO President Yi Chong-hun meanwhile said, "It's not true that KEPCO has no technological capability to effectively deal with an American PC because KEPCO has well-managed 10 nuclear power plants in the country over the past decades."

The reason why KEPCO signed the MOU with the CE is that it wanted to preclude the possibility of CE advancing into the North Korean nuclear plant market alone, Yi said.

Yi also claimed that the MOU was not intended to guarantee CE a substantial portion of work in the North Korean reactor project but to settle possible disputes concerning royalties on it.

According to the MOU, the CE will not demand royalties for KSNP provided to the North if the American firm is guaranteed the same scope of work as it was in the Uljin Units 3 and 4 project.

Commenting on the alleged discord between KAERI and KEPCO over who will become the prime contractor for the North Korean reactor project, KAERI chief Sin Chae-in demanded a more active role for his institute in the North Korean reactor project, saying his institute wanted to take part in the important decision-making process in the design of the nuclear steam supply system (NSSS) because NSSS technology is such an important concept in the nuclear reactor project.

"We are not proposing we become the sole prime contractor for the North Korean reactor project, nor do we have the ability to do that," Sin said. "We just suggested that we should be allowed to take part in a consortium consisting of KEPCO, Korea Heavy Industries and Construction Co. and KAERI."

"Now that KEPCO has been given the position of sole prime contractor, we take part in an inter-governmental consultative body for the North Korean reactor project as our next best option," Sin said, strongly hinting that KAERI has yet to be given a proper role in the North Korean reactor project.

The contract formula used in the construction of Uljin Units 3 and 4 cannot guarantee KAERI a proper role, he said, proposing a change in the contract formula for the North Korean reactor project.

"We just want our efforts for nationally independent nuclear technology to be reflected in the North Korean reactor project," Sin said. "We, as a government-invested research institute, are not competing for an initiative in the North Korean nuclear project."

Memorandum Criticized

SK2407044295 Seoul YONHAP in English
0237 GMT 24 Jul 95

[Report by Hwang Tu-hyong]

[FBIS Transcribed Text] Seoul, July 24 (YONHAP) — A memorandum of understanding (MOU) between the Korea Electric Power Corp. (KEPCO) and Combustion Engineering (CE) of the United States is being criticized for failing to clearly state that KEPCO will provide Korean standard nuclear power plants (KSNP) for the nuclear reactor project in North Korea.

In the KEPCO-CE MOU signed March 9, the two agreed to make efforts to advance nuclear reactor projects into third countries, including North Korea, with 1,000 mega-watt pressurized water reactors currently under construction in South Korea instead of Korean standard nuclear power plants (KSNP).

The MOU could be interpreted by the American firm as providing the CE System-80 to joint reactor projects in third countries, critics say, in that the KSNP is modeled after the American system.

Suspicion about the KEPCO's reluctance to use the KSNP technology in further nuclear projects could well be explained by a senior KEPCO official who recently confirmed that his company is pushing ahead with a plan to advance into the Chinese nuclear plant market in a joint project with the American firm.

"We are pushing ahead with a plan to raise funds for the large amount of expenses needed for the joint project with CE," he said. "In a sense, such a joint project with CE could also help KEPCO share the risks involved in third country projects such as in China and Vietnam."

He also said that even when CE jointly pursues nuclear reactor projects with KEPCO, it will allow the Korea Atomic Energy Research Institute (KAERI) to take part in the designing of the nuclear steam supply system (NSSS) in those projects. KAERI is the only domestic firm in the country with the capability to design the NSSS, a key component of nuclear power plants.

A KAERI official, however, said that his institute has been proceeding with a plan to take part in nuclear power plant projects in China since early last year before KEPCO started a similar plan this year.

He insisted that a consortium consisting of KAERI and the Korea Heavy Industries Co. (KHI), manufacturer of a large portion of NSSS and other parts of the nuclear plant, could work well without the help of KEPCO, which he insists has the money and the management

skills necessary to construct nuclear plants but that it does not have the nuclear technology.

The long dispute to be the nation's number one nuclear power plant provider has been brought to light early this week when chief of the North Korean nuclear reactor project at KAERI Yi Pyong-yong was relieved of his post.

Yi, the chief of the NSSS design team, played a central role in getting South Korean reactors accepted in the negotiations for the North Korean nuclear project.

He, however, was dismissed after further demanding that KAERI be given proper rights to defend the KSNP against an American program coordinator which is expected to have the right to monitor KEPSCO, the prime contractor, and the whole production process in the North Korean reactor project, including the design of the NSSS.

Yi's position was reiterated Saturday when KAERI's head Shin Chae-in expressed that KAERI needs to be made co-prime contractor in the North Korean reactor project to guarantee safety and that Korean standard reactors are used.

Shin himself was the man who relieved Yi of his post for making a fuss about the contract system for the North Korean reactor project.

What KAERI scientists and engineers are worried about is that the government and the KEPSCO would not acknowledge the scientific achievements foreign countries envy.

They insist they have nearly achieved technological independence in the nuclear plant production and design sectors.

The government and KEPSCO, however, wanted to provide Russian or American reactors to North Korea at an early stage of the nuclear talks with the North before KEPSCO raised the issue, they said.

"Up until now, KEPSCO's MOU paved the way for CE to provide its own NSSS to the North Korean reactor project as well as other projects in third countries," a KAERI official said. "How could we proceed with the betterment of the country's nuclear technology under such circumstances?"

The MOU allows for CE during the next 10 years to take part in the same portion, approximately 18 percent in terms of money involved, of the total works as it did in the construction of Ulchin Units 3 and 4, although the NSSS design and other nuclear technology of the country have been developing fast enough to minimize the role of foreign firms, he said.

The MOU also permits CE to choose subcontractors in joint nuclear reactor projects in third countries, including North Korea, relinquishing much of its rights as the prime contractor in the North Korean project which will be funded by the Korean Peninsula Energy Development Organization (KEDO), which has already designated KEPSCO as the prime contractor for the North Korean project.

Although, KEPSCO explains that the MOU was aimed to preclude the possibility that the American firm could become the sole main contractor in the North Korean reactor project, critics did not believe it because KEDO was supposed to designate a Korean firm as the prime contractor as South Korea is the largest investor in the project.

They criticize that the government should pay more attention to the opinions of scientists and engineers in making decisions concerned with technology to survive the keen technological competition in the world, noting that the nuclear industry within the country has already fallen into a big dilemma because of the government's nuclear policy in which the country gave up its rights to use plutonium peacefully.

"When the government announced its denuclearization of the Korean peninsula during No Tae-u's administration, it thwarted efforts by scientists to make peaceful use of atomic energy," he said, adding, "at that time, no government official consulted with nuclear scientists about the issue, although they had no knowledge about the importance using plutonium peacefully."

"They just knew that plutonium was used to make weapons," he said and opined that the government is just doing the same thing now.

Trade Minister Comments

SK2207134695 Seoul KBS-1 Television Network
in Korean 1222 GMT 22 Jul 95

[FBIS Translated Text] Trade and Industry Minister Pak Chae-yun said that there will be no problem with the Korea Electric Power Corporation [KEPCO] playing a central role as main contractor in the light-water reactor assistance project for North Korea. Meeting reporters prior to his departure for the United States today, Minister Pak said that the memorandum of understanding between KEPSCO and U.S. Combustion Engineering, which is currently an object of controversy, clearly stipulates that Combustion Engineering will not be a main contractor.

KAERI Demand for Bigger Role 'Rebuffed'

SK2307040595 Seoul THE KOREA TIMES in English
23 Jul 95 p 2

[Article by Son Ki-yong]

[FBIS Transcribed Text] A government official, rebuffed a local institute's demand for a bigger role in the North Korean nuclear project, saying that the current contract system for the Uljin No. 3 and No. 4 nuclear power plants, which are reference models for those to be built in North Korea, is not changeable.

In a background briefing, the Foreign Ministry official said that Seoul will stick to the current structure in which the Korea Atomic Energy Research Institute [KAERI] is a subcontractor for Hanjung [Korea Heavy Industries], manufacturer of the nuclear steam supply system (NSSS), a core part of a nuclear power plant which experts said determines the reactor type.

"The government should keep the contract system to stave off the possibility that North Korea might call for revisions to it," the official said.

He suggested the possibility that North Korea might demand that one of its state-run companies play a part in designing the nuclear steam supply system if Seoul arbitrarily restructures the current contract system of the Uljin power plants.

Earlier, Yi Pyong-yong, vice president of the institute who was fired in a recent controversy, demanded that the institute, as the designer of the core part of a nuclear plant, be given the status of prime contractor along with the Korea Electric Power Corporation (KEPCO). As Seoul, Tokyo and Washington agreed to pick KEPCO as the sole prime contractor, the institute instead called for an increased role in the NSSS design.

The ministry official raised questions to the maturity of the institute's technology level, claiming that Combustion Engineering (CE) should be given the right to "review and monitor" a draft design done by the institute.

The official said that CE will take up more than 20 percent of the costs needed to design the nuclear steam supply system whose portion is slightly more than 2 percent of the total nuclear power plant project.

"CE will play the role of a safety net which ensures the smooth operation of a nuclear power plant. It will also take due responsibility for any technical failure of a nuclear power plant, if there are any," the official said.

Other officials said that the government will have to rearrange the relationship between KEPCO and KAERI

for the smooth implementation of Seoul's future nuclear projects in North Korea and other countries.

The current system which calls for close cooperation in nuclear projects between KEPCO and KAERI is inevitably causing a turf war by the two entities, they said.

The two entities are reportedly competing for a large share in China's mammoth nuclear power plant projects, they said, adding that overheated competition will not meet Seoul's interests.

Meanwhile, the institute's labor union denounced the government in a statement for interfering in the KAERI's personnel management when it fired Yi, who has been in charge of the North Korean nuclear reactor project.

"We can only assume that the South Korean government gave in to pressure from the United States when it fired Yi who, as an advisory for Seoul in its negotiation with the United States, knows the United States' intentions better than anyone else," the statement said.

The statement insists that the United States has consistently demanded that KEPCO, which lacks technical expertise in the NSSS design, be named the sole prime contractor with the aim of easily controlling the multibillion-dollar project.

"If KEPCO plays the role of prime contractor, it won't be able to properly cope with demands by foreign firms and the U.S. program coordinator for design changes in the course of designing and manufacturing reactors," it added.

Meanwhile, the Ministry of Science and Technology said that a memorandum of understanding (MOU) between KEPCO and CE regarding joint nuclear projects doesn't serve as an obstacle to the provision of South Korean-model reactors to North Korea.

In a statement, the ministry said that KEPCO signed the MOU on March 9 to preclude the possibility that CE may demand royalties for construction of South Korea-model reactors which were modeled after CE's System 80.

The issue of royalties has been a point of contention because a technology transfer contract between KEPCO and CE stipulates that South Korea pay 4 to 5 percent of the total design and construction expenses when exporting the reactors to a third country. The MOU, however, says that KEPCO needs not pay any royalties when building South Korean-model reactors in North Korea, it added.

KAERI Union Denounces Removal of Engineer

SK2207053495 Seoul YONHAP in English
0526 GMT 22 Jul 95

[FBIS Transcribed Text] Seoul, July 22 (YONHAP) — The labor union of the Korea Atomic Energy Research Institute (KAERI) Saturday [22 July] denounced the government for interfering in the personnel affairs of KAERI when it fired a senior engineer in charge of the North Korean nuclear reactor project.

"We can only assume that the South Korean Government gave in to pressure from the United States when it fired Yi Pyong-yong, chief of KAERI's North Korean reactor project team, who is well versed about the United States' intentions as a member of nuclear talks on the North Korean reactor project," said the labor union in a statement.

The statement insists that the United States has consistently demanded the Korea Electric Power Corp. (KEPCO), which lacks the technical expertise to design certain core parts of the nuclear plants, participate in the North Korean reactor project as the sole prime contractor in order for it to easily control the North Korean reactor project.

"When KEPCO plays a prime contractor, it cannot properly cope with demands by foreign firms or a program coordinator for design changes in the course of designing and manufacturing reactors and their parts," the statement claimed, adding "In the worst case scenario Korean standard nuclear plants (to be provided to the north) could turn into American plants."

In that sense, the removal of Yi, who has insisted on providing Korean reactors to North Korea, could signal a change in the government's willingness to provide Korean nuclear plants to the North, according to the statement.

The labor union claimed that Yi demanded KAERI take part in the North Korean reactor project as a co-prime contractor for the sake of effectively managing an important national project to the benefit of the country's interests.

The union said that it will take 'separate measures' against foreign minister Kong No-myong who, in a press conference, dismissed demands by KAERI as being exaggerated and designed only to secure the interests of atomic institute.

Korean General To Replace Outgoing UNC Head

SK2207063695 Seoul CHUNGANG ILBO in Korean
22 Jul 95 p 2

[Report by Kim Min-uk]

[FBIS Translated Text] On 21 July, the Defense Ministry stated that it will appoint an ROK general to replace Maj. Gen. Hwang Won-tak, senior member of the United Nations Command [UNC] Military Armistice Commission.

A high-level Defense Ministry official stated that day: "An ROK general will replace General Hwang, who will retire in late August at the expiration of his term in office." He then stressed: "Some foreign media reported a U.S. Army major general will be appointed as senior member of the UNC, replacing the ROK general. However, that is not the case at all."

Letter From U.S. Ambassador Summarized

SK2207060895 Seoul CHOSON ILBO in Korean
22 Jul 95 p 5

["Summary" of article contributed by James Laney, U.S. ambassador to the ROK: "The ROK and the United States Are Partners"]

[FBIS Translated Text] Monuments stand along National Route 1 near Osan in Kyonggi Province commemorating the first confrontation between the U.S. forces and the North Korean Army 10 days after North Korea launched a southward invasion 45 years ago. The monuments, dedicated to the "Smith commando unit" [Task Force Smith], stand on both sides of the national road and are witness to the ROK's development, which is symbolized by fast moving automobiles and rising apartment complexes nearby.

As the ROK has developed, ROK-U.S. relations have also developed from "close relations consolidated by blood" to rather broad-ranging and complicated relations. Still, no fundamental change has occurred in ROK-U.S. relations because the two countries have the same interests. President Kim Yong-sam will leave the country 22 July to visit the United States and attend a service, in Washington dedicating the Korean War Memorial, thus giving a new meaning to the Korean War, which has been called the "forgotten war."

Within ROK-U.S. relations, it is the ROK that has changed substantially. ROK citizens experience what train passengers experience. ROK citizens seem to think things seen from the train window are moving, even though it is the train they are on that is moving. The world looks different to ROK citizens. However, the

most important changes are taking place within the ROK.

The United States believes the ROK has developed such that it should shoulder the same responsibility as do other developed countries. However, ROK citizens say they are still weak and have no money. Also, the ROK seems to consider foreign expectations from the ROK to be unjust demands or pressure.

Let us closely examine security and economic issues as regards ROK-U.S. relations. The United States willingly helped the ROK when it was in crisis in 1950. The United States still maintains its presence in the ROK and continues to help even today. The United States is making efforts to help various weak countries that need our assistance.

Because the United States views the ROK as having become a powerful country, it asks the ROK to shoulder heavy defense burdens and other matters. The U.S. request for ROK assistance may be viewed as unjust because the ROK is not accustomed to such requests.

The United States maintains 37,000 troops in the ROK with an annual budget of \$2.5 billion. It will deploy combat troops, warships, fighter-bombers, and carrier battle groups to the ROK in an emergency. The United States asks the ROK to provide approximately \$300 million a year for the upkeep of U.S. forces in the ROK. The amount of money requested is less than the expense for maintaining a single carrier battle group for a year.

Adhering to its current policy, the United States has maintained its relations with the ROK, relations that were forged in blood, as well as its position toward the North Korean nuclear issue. The ROK, the United States, and Japan agreed to hold negotiations with North Korea to resolve the nuclear issue. Prior to negotiations with North Korea, the three discussed what we wanted to obtain from the negotiations and how much money we would be willing to pay. The U.S. delegation began negotiations with North Korea in Geneva last autumn based on instructions derived from these tripartite talks. During the entire period of the negotiations, we conferred with the ROK delegation temporarily stationed in Switzerland.

The delegations to the U.S.-North Korea negotiations on the nuclear issue achieved their aim, and the cost for resolving the nuclear issue, which was agreed upon prior to the negotiations, was reasonable. The ROK, the United States, and Japan reached agreement on sharing the reactor construction and its expense, which we have come to take charge of as a result of the U.S.-North Korea agreed framework. According to the prior agreement, the ROK will play a central role.

The United States has opened its markets to developing countries, including the ROK. In 1994, ROK goods and services imported by the United States were more than those imported from any other country that year. The Korea Traders Association estimates 36,000 Koreans were offered jobs to manufacture \$1 billion worth of export items. Based on this estimation, over 740,000 Koreans are indebted to ROK exports to the United States. The United States believes the ROK is now a rich country that deserves equal responsibility and treatment.

Regarding the ROK-U.S. Status of Forces Agreement, a current point of contention, the United States has listened to the ROK Government's ideas and is now holding discussions with the ROK. It is possible to seek methods to handle cases that involve U.S. soldiers in conformity with Korean sentiment.

The visa issuing capacity of the U.S. Embassy in Seoul, which is restricted by its budget, has been overwhelmed by an explosive increase in U.S. visa applications due to an increasing number of Korean tourists to the United States this year. As a result, Koreans were seriously inconvenienced. The U.S. Embassy does not make light of this situation. It is trying to minimize the inconveniences Koreans experience by mobilizing all embassy manpower to solve the visa issuance problem.

The goal of the U.S. Embassy is to make visa applicants feel they receive the most prompt and efficient service from the embassy. I want Koreans to understand that we are making efforts to this end.

The United States is making efforts to be remembered as a good friend of the ROK, as symbolized by the Task Force Smith monument commemorating the U.S. participation in the Korean War.

Trade Deficit With U.S. Reportedly Balloons

SK2307011695 Seoul THE KOREA HERALD
in English 23 Jul 95 p 8

[FBIS Transcribed Text] Korea's trade deficit with the United States ballooned to a whopping \$3,642 million on a customs clearance basis in the first six months of the year, the Korean Customs Service [KCS] said yesterday.

The figure is compared with the nation's trade shortfall of \$369 million with Washington during the same period last year.

The customs authorities cited a surge in imports, especially capital and consumer goods, as the major reason for the huge deficits with the nation's largest trading partner.

"Another reason could be the government's import market diversification policy away from Japan to the United States because of the strong yen," said a KCS official.

Centered around capital and consumption goods, imports from Washington jumped 47.4 percent to \$14.49 billion during the January-June period.

The import growth rate is 37.4 percent with Japan, 28 percent with the European Union and 37.3 percent with China.

Of the nation's total imports, the United States accounted for 22.2 percent in the cited time, up from 21.1 percent for all of 1994 and 21.4 percent for 1993. The figure is, however, down from 22.4 percent in 1992 and 23.2 percent in 1991.

During the cited period, imports of U.S. capital goods surged 55.8 percent to \$7.63 billion and those of consumption goods and raw materials jumped 72.3 percent and 27.2 percent, respectively, to \$2.22 billion and \$4.63 billion.

Imports of U.S. cereals jumped 342.7 percent during the cited time, automobiles 82.5 percent, household appliances 75.8 percent, television sets 145.4 percent and radios 373.2 percent.

"The strong yen has contributed to Korean businesses' high demand for U.S. capital goods," the KCS official said.

Exports to Washington increased 14.5 percent to \$10.85 billion during the cited time.

The export growth rate is lower than the nation's average overseas shipment growth rate of 33.4 percent. The export growth rate is 35 percent with Japan, 45.1 percent with China and 42.6 percent with the European Union, according to the customs authorities.

Of the nation's total overseas shipments, the United States represented 18.6 percent during the first six months of the year.

The comparable figures were 21.4 percent for 1994, 22.1 percent for 1993, 23.6 percent for 1992 and 25.8 percent for 1991, showing a downward trend.

Exports of heavy and chemical goods to the United States rose 24 percent to \$8.43 billion, while those of light industrial goods declined 9.9 percent to \$2.25 billion.

Economists Comment on Deficit

SK2207025495 Seoul THE KOREA HERALD
(Supplement) in English 22 Jul 95 p 3

[By staff reporter Kang Sok-chae]

[FBIS Transcribed Text] Korea's ongoing market liberalization and economic policy deregulation have put the national economy under a rapid process of restructuring. In the process, Korea has seen its trade relations with the United States aggravating over the past few years, especially from last year.

In the 1980s, Korea enjoyed handsome trade surpluses with the United States, the nation's largest export market.

Seoul, however, suffered trade deficits with Washington in the 1991-1992 period before marking a \$210 million trade surplus in 1993.

Korea again recorded a trade shortfall amounting to \$1.026 billion on a customs clearance basis last year.

The nation's trade deficit ballooned to a whopping \$3.166 billion in the first five months of the year, well exceeding the Korean government's earlier projection of \$2.4 billion in trade shortfalls with the United States for all of 1995.

The widening trade deficits with Washington are showing no signs of easing, which has emerged as a new headache to Korean policy-makers.

Some economists cautiously analyze the current trade deficit trend as a structural problem, while others say it is a temporary one and can be solved in some time.

"The rising trade deficit with Washington is mainly attributable to a rise in imports of capital goods and agro-fishery goods as a result of the Korean government's wider market opening and the strong won," said Chu Yong-chun, deputy director of the American Division of the Ministry of Trade, Industry and Energy.

Chu also cited as a major reason for the high deficit the government's import market diversification policy away from Japan to the United States because of the strong yen.

In the first five months of the year, Korea's exports to the United States increased 15 percent from the same 1994 period to \$8.758 billion on a customs clearance basis.

Imports from Washington, however, surged a whopping 47.7 percent to \$11.924 billion in the cited time for a trade shortfall of \$3.166 billion.

The trade deficit figure is compared with a trade shortfall of \$458 million during the January-May period last year.

The major import items from Washington included electric and electronics goods, agro-fishery products and transport machinery, which all saw their respective import growth rates exceed 50 percent or more from a year ago.

"It is a fact that the import volume from Washington is too high, but when we look at the imports are capital goods, which Korean businesses need for their facility investment," the ministry official said.

He predicted improved trade relations with Washington in the second half of the year as the strong Japanese yen would have positive effects on Korea's exports.

During the first five months of the year, Korea saw its overall imports of capital goods expand 40.2 percent to \$21,282 million with those of raw materials and consumption goods growing 34.7 percent and 33.9 percent to \$26.719 billion and \$5.435 billion, respectively.

But some paint quite a grim picture on the prospects for the nation's trade balance with the United States.

An official at the state-run Korea Trade Promotion Corp. (KOTRA) anticipated Korea's trade shortfall would climb a record \$7 billion on a customs clearance basis for all of 1995, about three times KOTRA's earlier projection.

The state-run company projected earlier this year that the nation's exports to Washington would increase 7 percent to \$22 billion against an import growth rate of 14 percent to \$24.4 billion for a trade shortfall of \$2.4 billion.

"Taking into account a continued surge in imports of American capital goods, farming products and consumption goods, the nation's trade shortfalls with Washington are expected to last for some time," said the KOTRA official, asking not to be identified.

He viewed the problem as a structural one. "If left unchecked, the trade deficit issue would develop into a serious problem just as the chronic trade deficit we are experiencing with Japan."

During the January-May period this year, Korea suffered a trade deficit of \$6.704 billion with Japan, thus breaking the \$100 billion mark in Seoul's cumulative trade shortfalls with Tokyo since their diplomatic normalization in 1965.

Washington recently reported that it posted trade surpluses with only Korea and Hong Kong among its major eight Asian trading partners in the first quarter of the year.

Contrary to growing trade deficits with the United States, the number of Korea's direct investments in Washington is picking up these days.

The nation's direct overseas investment totaled \$1.521 billion in 630 cases in the first five months of the year, according to the Bank of Korea.

Of the total number of approved investments, the United States accounted for 10.4 percent or 66 projects in the cited time, compared with 7.1 percent in 1994 and 4.1 percent in 1993.

Korea's direct investments in the United States amounted to \$110 million in the January-May period, representing 7.1 percent of the nation's total approved investment amounts. The figure is down from 20 percent in 1994, 22 percent in 1993, 19.8 percent in 1992 and 26.5 percent in 1991.

Korea approved a total of \$3.587 billion worth of overseas direct investments in 1,949 cases last year, of which the United States accounted for \$723 million in 140 projects, according to the central bank.

The 1994 outbound investments represent a hefty gain of \$1.716 billion from the previous year.

The central bank attributed the steep rise in overseas direct investments to a growing number of plant relocation to China by labor-intensive Korean industries to capitalize on the low wages in that country.

It also cited the Korean government's deregulation move, which relegated the approval of small investments to foreign exchange banks.

By country, China topped the investment project list with \$808.5 million in 1,051 cases, followed by the Philippines with \$71 million in 269 cases and the United States with \$723 million in 140 cases.

Impact of Shelf-Life Agreement Viewed

*SK2207042195 Seoul THE KOREA HERALD
in English 22 Jul 95 pp 1, 9*

[By staff reporter Choe Sung-chin]

[FBIS Transcribed Text] For the wealthy gourmets of Korea, choice beef has been synonymous with "han-u" — Korean cow. Only the poor have settled for imported beef.

That will change in less than three months.

Thursday's agreement between Seoul and Washington to sharply extend the shelf-life period for vacuum-packed meat products will open the way for the unfettered imports of U.S. chilled beef and pork to Korea.

So far, the Korean government has not set the shelf life — the time from when a product is made to when it is bought by the consumer — for vacuum-packed meat products. It instead applied the same "sell-by" dates of 14 days for beef and 10 days for pork as they have done on domestic chilled meat.

It virtually blocked the imports here of U.S. chilled meat products because transportation between the two countries alone takes at least 35 days, allowing in only frozen U.S. meat which are much tougher and less tasteful than domestic chilled ones.

According to the Washington agreement, however, the shelf-life for vacuum-packaged beef will be extended to 90 days and 45 days for pork from October.

Come next July 1, these temporary sell-by dates will be completely gone for the free imports of chilled meat. Seoul originally planned to do away with the government-mandated shelf-life until the end of 1997 on a gradual basis.

To be hit hardest will be domestic livestock farmers, industry watchers said, although officials at the Ministry of Agriculture, Forestry and Fisheries are saying that the measure will not seriously affect the farmers owing to the import quota that will be maintained until 2000.

The observers, however, said the influx of high-quality chilled beef, which have been imported only for use at tourist hotels, will eventually crowd out much of the local produce. "First-class beef from grain-fed U.S. cows will open the Korean consumers' eyes to the genuine quality of American beef," said an analyst.

Some even expressed worries about another "cow turmoil," in which the farmers who, encouraged by the latest surge in beef consumption, have bought calves en masse, may stage a protest rally in case the domestic consumers turn to imported beef, pulling down the prices of local produce.

The impact will be more severe for pig farmers, they say, as the pork market is scheduled to be opened from July 1, 1977.

Livestock farmers appear not to be the only group dissatisfied with Thursday's agreement, though. Critical analysts here say that the sharp extension of shelf-life periods were the results of the Seoul government buckling under the U.S. pressure to threaten the issue to a panel of the World Trade Organization.

It also came on the aftermath of Korea's drastic relaxation of quarantine rules for food imports, which the critics say was kneeling down to the U.S. pressure.

A government official, while explaining the settlement of what foreign media called the "hot dog dispute"

between Seoul and Washington, said that the most touchy trade issue between the two countries have been solved. The dispute flared up last year when Korea seized a shipment of American sausages, saying they were allowed only a 30-day shelf period rather than the 90-day period that had been allowed for four year.

"The conclusion of shelf-life negotiations will contribute to improving Seoul's trade relations with Washington," said Chong Tok-ku, director general of the international economic policy bureau at the Finance and Economy Ministry. "No serious trade disputes between the two countries will arise and the United States will not invoke its Section 301 Trade Act on other trade disputes."

The critics do not seem to agree with Chong at all.

The trade friction between Seoul and Washington is expected to even accelerate, they said, citing the fact that the United States has picked Korea as one of the emerging export markets to be pried open in the next five years for seven major U.S. industries, including financial services, auto and auto parts, computer, telecommunications, software and medical equipment.

The Seoul officials also boasted that they have earned much in trade diplomacy with the agreement.

U.S. Trade Representative Mickey Kantor, however, was quoted as saying after the talks, "It's fair to say that we got everything that we wanted."

Washington-dated wire story also quoted an official of the U.S. livestock industry as saying that they are thrilled about the agreement and its potential impact on meat sales which Kantor said could mean up to a billion dollars' worth of additional sales of U.S. beef and pork. Korea is the fourth largest market in the world for U.S. farm exports and the third largest for American beef.

Other critics also raised issues with the tactic the Seoul government adopted in negotiating with their U.S. counterparts.

"The officials reportedly decided in April to accept the U.S. demand as they will have little chance of winning at the WTO panel but delayed it until after the local elections are over," said an analyst requesting anonymity. "Now they are bragging about diplomatic success from the agreement which apparently is aimed at helping to ensure the success of President Kim Yong-sam's U.S. visit from today."

Farmers, Consumers Opposed

SK2307035695 Seoul THE KOREA TIMES in English
23 Jul 95 p 8

[Report by Sim Chae-yun]

[FBIS Transcribed Text] Organizations of farmers and citizens have called on the government to cancel its agreement with the United States to liberalize the shelf-life of frozen and chilled meat in July next year.

More than 40 relevant organizations across the country, having formed an alliance to this end, have released a series of statements, demanding the agreement be dropped immediately.

They threatened to employ all possible means to reverse the recent agreement, including a collection of signatures nationwide and a campaign to oppose imports, unless their demand is met.

"We cannot conceal surprise at the agreement as the liberalization of the shelf-life will seriously hurt the people's health," they said in unison in their statements.

The Korea Dairy & Beef Farmers Association said the deal would bring about a serious crisis for the domestic beef farmers as it was made without protective measures prepared for them.

"The liberalization should be delayed at least for two to three years so that the domestic beef farmers have time to have international standard of chilling system," an official of the association said.

An official of the National Livestock Cooperative Federation criticized the government for failing to have reflected the opinion of the relevant organizations before resuming the beef negotiations.

The government would have been able to deal with the negotiations if it took issue with the strong domestic opposition of the shelf life liberalization, he said.

He explained that there are problems with the regulations allowing U.S.-made chilled beef and pork to be circulated for 90 and 45 days, respectively, in contrast with some 15 days for the domestic meat.

Consumer and other civilian bodies joined the movement. They include Citizens Coalition for Economic Justice, Consumers Union of Korea, Korean Women's Association United, and Solidarity for Participation and Human Rights.

In a separate statement, the National Association of Farmers' Organizations comprising 12 farmers' bodies, also urged the government to withdraw the deal.

The association includes Korea Swine Association, the Union of Farmers' Council and the Central Council of Rural Leaders.

The government will not be able to avoid strong criticism and anger from the livestock farmers and the general public as it had bowed to U.S. pressure for the latter's benefit, neglecting the interest of the domestic livestock farmers, the association said.

The interest groups asserted that the government yielded too much out of diplomatic compromise.

The influx of U.S. meat will seriously undermine the comparatively "fragile" livestock industry, they claimed. The United States is attempting to dominate the domestic market with its vacuum-packed meat, exploiting the "weak" domestic meat circulation system, they said.

Under the deal, Korea should lower barriers on U.S. meat exports, including vacuum-packed beef and pork, and frozen patties and sausages, allowing U.S. exporters to use their own shelf life period after a phase-in period that will last until July 1 of next year.

The dispute began in February last year after the nation's pertinent authorities blocked shipment of American sausages which they said were in violation of Korea's shelf-life requirement.

The United States, for its part, threatened to refer the issue to the World Trade Organization unless Korea liberalizes the shelf-life period.

It has been reported in the United States that the deal was praised as successful achievement in sharp contrast with its bitter car negotiation with Japan.

North Asks U.S. for Food Grains

SK2307055495 Seoul YONHAP in English
0548 GMT 23 Jul 95

[FBIS Transcribed Text] Cheju, July 23 (YONHAP) — The U.S. Administration is considering giving food grains to North Korea in a humanitarian consideration, it was learned here Sunday.

In a speech at a top management officials summer seminar organized by the Federation of Korean Industries here, Deputy Prime Minister Na Ung-pae said North Korea has recently asked the United States for 1 million tons of grains.

"I understand the U.S. Government is positively considering furnishing grains to North Korea," Na said.

He said that the United States appears believing provision of grains to North Korea would be unavoidable in

a humanitarian aspect though Washington won't be able to provide all the 1 million tons asked.

North Korea needs about 6.7 million tons of foods a year but all it can produce are in the neighborhood of 4.5 million tons.

U.S. Response 'Negative'

*SK2407050995 Seoul YONHAP in English
0505 GMT 24 Jul 95*

[FBIS Transcribed Text] Washington, July 23 (YONHAP) — Washington is reportedly showing a negative response towards Pyongyang's recent request for grain aid, a diplomatic source in Washington revealed Sunday.

North Korea recently officially requested through its mission to the United Nations that the United States provide it with 1 million tons of food grain, the source added.

The source opined that the U.S. Government is not in a position to give serious consideration to the request for legal and political reasons.

"It would be very difficult for the U.S. Administration to accept the request, considering the Trading With Enemies Act and the Foreign Assistance Act which prohibit it from providing aid to hostile countries and the unfavorable sentiment among U.S. congressmen towards the North," the source said.

Inter-Korean Trade on Rise

*SK2407064195 Seoul YONHAP in English
0623 GMT 24 Jul 95*

[FBIS Transcribed Text] Seoul, July 24 (YONHAP) — Two-way inter-Korean trade in June totaled 35 million U.S. dollars in 108 contracts on a government approval basis, up 8 percent from the previous month and 172 percent from a year earlier, according to the latest figures released by the National Unification Ministry Monday.

Purchases of North Korean products rose 15.1 percent from May to 28.1 million dollars in 62 contracts, but sales of South Korean products to the North fell 14 percent to 6.9 million dollars in 46 contracts.

The figures bring total inter-Korean trade in the first half of the year to 172.9 million dollars in 645 contracts, up 86.6 percent from the same period last year.

Total purchases in June broken down by item showed 62.1 percent for iron and other metallic products, 24.8 percent for textiles, 10.7 for herb medicine, 0.7 for fish and 0.5 for farm products.

For sales, textiles accounted for 52.6 percent of the total, followed by chemicals with 2.6 percent, machinery and electronics with 0.3 and iron and other metallic products with 0.1.

Mineral water, engines for farming machines, generators for pumping stations, earrings and other personal accessories were included in June's purchases for the first time as were plastic ducts and links, printing machines and grain sorters.

Purchases in processing-on-commission trade during June amounted to 5.2 million dollars in 23 contracts on an approval basis, up 25.9 percent from May.

In May, LG Electronics Inc. shipped to North for assembly 20 color television part kits for three finished sets for the first time in inter-Korean processing-on-commission trade.

Government Prohibits Joint Events at Panmunjom

*SK2207014795 Seoul KBS-1 Radio Network
in Korean 0105 GMT 22 Jul 95*

[FBIS Translated Text] The government has decided not to allow the South's Preparatory Committee for Joint National Events on National Liberation Day to hold celebrations at Panmunjom on 15 August with compatriots in the South, the North, and overseas. Kim Kyong-ung, a spokesman for the National Unification Board (NUB), stated: According to the government's policy not to allow any large events at Panmunjom, the NUB has decided not to allow joint national celebrations on National Liberation Day that the South's preparatory committee and North Korea agreed upon to hold jointly.

Spokesman Kim also stated: The NUB solemnly warns the South's preparatory committee against its recent talks with North Korea through facsimiles since it was a violation of the South-North agreement on exchange and cooperation.

North's Relations With PRC Recovering Rapidly

*SK2407071895 Seoul HANGUK ILBO in Korean
24 Jul 95 p 23*

[Article by Yu Sung-u]

[FBIS Translated Text] Signs indicate that DPRK-PRC relations are rapidly recovering. The two countries held ceremonies marking the 34th anniversary of the signing of the "DPRK-PRC Friendship, Cooperation, and Mutual Aid Treaty" on 11 July, stressing mutual goodwill and confirming their friendship. The ceremony held at the People's Cultural Hall in Pyongyang on 11 July was attended by Chang Chol, DPRK vice premier; and another ceremony held at the PRC Embassy on

12 July was attended by Yi Chong-ok, DPRK vice president, which shows the events were upgraded.

Every year on this anniversary, the two countries used to hold meetings by the Administration Council, the Ministry of the People's Armed Forces, and exchange messages between heads of state. The events have been replaced with an embassy banquet since 1992, when the PRC established diplomatic relations with the ROK.

The North Korean state-run Central Broadcasting Station carried a program entitled "The Firm Tie of Friendship" on 11 July, stating "We are pleased that the PRC has recorded economic growth in the fields of crude oil, electricity, steel, and in the electronics industry." The tone praising the PRC's economic opening line is noteworthy.

It is analyzed that the visit by PRC high-ranking party and government delegations to North Korea from 7 to 13 June contributed to the improved North Korean-PRC relations. A government goodwill delegation headed by Tang Jiaxuan, PRC vice foreign minister, and a party functionaries delegation headed by Xu Qing, deputy secretary of CPC Central Commission for Discipline Inspection, had talks with Kim Yong-nam, DPRK foreign minister, and Choe Tae-pok, secretary of the Workers Party of Korea, during their stay in North Korea. North Korean and PRC media did not mention the details of their talks, but stressed the strengthened friendship through reports on the delegations' visits to revolutionary historical sites.

According to ROK diplomatic sources, Vice Minister Tang and Foreign Minister Kim Yong-nam agreed on a significant aid program, including expanded energy supply, for North Korea during their talks. The agreement is interpreted as efforts by the PRC to seek new and improved relations with the forthcoming Kim Chong-il regime.

North Korean-PRC relations deteriorated to the extent that North Korea denounced the PRC as a "renegade from socialism," when the PRC established diplomatic relations with the ROK in 1992. Relations took a favorable turn following the so-called "ceremony for the 40th anniversary of war victory" on 27 July, 1993, and the visit by Song Ho-kyong, DPRK vice foreign minister, to the PRC in September 1994.

However, the two countries recently became estranged again due to North Korea's contacts with Taiwan and the deportation of a NODONG SINMUN correspondent from Beijing. North Korea abducted a PRC fishing boat in the West Sea in May, and the PRC intensified border troops three-fold to prevent smuggling.

Russia To Revise Military Treaty With North
SK2407021195 Seoul CHOSON ILBO in Korean
24 Jul 95 p 1

[Report by Hwang Song-chun from Moscow]

[FBIS Translated Text] It was learned on 23 July that the Russian Government verbally notified North Korea in the end of June that it intends to abolish Article 1 of the "DPRK-Soviet Union Friendship, Cooperation, and Mutual Aid Treaty" (Military Alliance Treaty) that stipulates automatic military involvement in case of a war on the Korean peninsula.

According to the ROK Embassy in Moscow, the Russian Foreign Ministry said on 29 June that "the current treaty is no longer realistic" and verbally revealed its intention to abolish Article 1.

Article 1 stipulates that "should either of the signatories be in a war situation, the other side will provide military support and aid without delay" (clause on automatic military involvement).

The DPRK-Soviet Union treaty is automatically extended for five years if neither side raises objections a year prior to the expiration date. Russia and North Korea renewed the treaty on 10 September 1991.

Following the establishment of diplomatic relations with Russia in 1990, the ROK Government asked Russia to abolish or revise the clause, saying it hinders the development of ROK-Russian relations and peace on the Korean peninsula. When President Kim Yong-sam visited Moscow in June 1994, Russia mentioned the invalidation of the clause through President Yeltsin.

Seoul Not Yet Notified

SK2407030595 Seoul YONHAP in English
0251 GMT 24 Jul 95

[FBIS Transcribed Text] Seoul, July 24 (YONHAP) — South Korea has yet to be informed by Russia that its government notified North Korea it would eliminate the clause in the North Korea-Russia mutual assistance treaty concerning automatic military involvement, the Foreign Ministry said in a statement Monday.

"We have yet to receive any official notification on the issue from Russia, although we know that Russia and North Korea have been negotiating the issue," the statement said.

The Russian Government will inform South Korea of the negotiation's results between Russia and North Korea concerning the automatic involvement clause, the statement said.

The Russian Government has repeatedly expressed its willingness to scrap the clause in question, citing that it is not realistic.

The Russia-North Korea treaty will automatically be extended for another five years unless one party expresses its desire to nullify it.

The treaty was signed between the former Soviet Union and North Korea in 1961 and Russia took over the treaty in 1991 after the collapse of the Communist union. It expires on Sept. 10, 1996.

Meanwhile, the South Korean Embassy in Moscow disclosed Monday that it has not yet been informed by Russia that the latter has notified Pyongyang of its intent to repeal the automatic military intervention clause which would involve Russia should a war break out on the Korean peninsula.

Commenting on press reports that Moscow informed Pyongyang late in June of its intent to renounce Article One of their treaty, YONHAP's Moscow correspondent reported, a South Korean Embassy official said, "We have not received any formal notification on that matter."

"With regard to the abrogation of the automatic military intervention clause, the Russian Government's position is that it will officially notify North Korea of its intent to repeal the clause and then convey the fact to our side," the official said.

A diplomatic source in Moscow said Sunday that the Russian Foreign Ministry conveyed to Pyongyang late last month its position that the clause stipulating automatic military intervention in their mutual friendship treaty is no longer realistic.

The Russian Government, which inherited all international treaty obligations following the collapse of the Soviet Union, has maintained the position on the matter that the automatic military intervention clause shall be interpreted in a manner compatible to new situations of the time and will be made to observe the spirit of international laws including the United Nations Charter and the provisions of the Russian Constitution.

Kong No-myong Discusses LWR Issue

SK2207011695 Seoul THE KOREA HERALD
in English 22 Jul 95 p 1

[FBIS Transcribed Text] Minister of Foreign Affairs Kong No-myong hinted yesterday that South Korea is working on a drastic proposal to improve relations with North Korea.

"There is speculation President Kim Yong-sam will announce a proposal to the North when he makes his

address on Liberation Day (Aug. 15). I cannot confirm or deny it. Please, keep watching with interest," he said at a meeting with the Korea Newspaper Editors Association. "That is all I can say at the moment."

The foreign minister made these remarks in response to a question if the South Korean Government is working on drastic peace arrangements to propose on the 50th anniversary of national liberation from Japanese colonial rule.

He said President Kim Yong-sam will discuss inter-Korea peace arrangements with U.S. President Bill Clinton during their summit talks, scheduled to be held in Washington next Thursday.

"They will discuss a common response to the North Korean attempt to neutralize the armistice arrangements (on the Korean Peninsula)," he said.

The United States, he said, supports the South Korean demand that Seoul and Pyongyang work on a replacement to the armistice arrangements. But Pyongyang demands talks on a peace mechanism with the United States, which fought the 1950-1953 Korean War against North Korea.

Kong said South Korea and the United States, which is moving to improve relations with the North, have no substantial difference in their North Korean policies.

The planned exchange of liaison offices between the United States and North Korea will help reduce tensions on the Korean peninsula, he said.

"In our society, there are conservatives who demand we isolate and weaken North Korea in order to speed up our national unification. But that is not our policy," he said. "I think the exchange of liaison offices (between the United States and North Korea) is needed."

He said he expects the United States and North Korea to exchange liaison offices as soon as they resolve some technical problems.

But he added South Korea demands that the United States improve relations with North Korea in parallel with the progress made in inter-Korea relations.

South Korea will play a greater role in the provision of two nuclear reactors to North Korea than it did in the construction of its two reactors in Ulsan, North Kyongsang Province, he said.

The Ulsan reactors under construction, which are modified from a U.S. model, are the reference models for those to be supplied to North Korea.

Kong's remarks on the South Korean role in the North Korean reactor project were a reply to a question if a

memorandum of understanding between Korea Electric Power Corp. (KEPCO) and Combustion Engineering, Inc. of the United States has assured the latter of an 18 percent portion of the reactor design cost, the same as in the Uljin project.

Reactor designing by the Korea Atomic Energy Research Institute will account for less than 3 percent of the \$4 billion North Korean reactor project, he said.

He said Combustion Engineering will conduct final checks on the reactor design by the Korea Atomic Energy Research Institute and guarantee its safety.

But Kong said he is not aware of the controversial memorandum which KEPCO, which is set to be designated as the prime contractor by the Korean Peninsula Energy Organization, an international consortium to finance the reactor project, concluded with Combustion Engineering in March.

Seoul To Develop Nuclear Fusion Technology

SK2407025195 Seoul YONHAP in English
0243 GMT 24 Jul 95

[FBIS Transcribed Text] San Francisco, July 23 (YONHAP) — South Korean President Kim Yong-sam said South Korea will seek to develop nuclear fusion technology to produce the so-called dream energy.

Speaking at an informal gathering he hosted Sunday for some 200 Korean-American scientists and engineers at the San Francisco hotel where he is staying, Kim added that the government would simultaneously step up efforts to develop such high-tech industries as aerospace, information and bioengineering along with the other basic sciences.

The government is launching three programs to educate scientists, develop basic sciences and promote high-tech industries in order to help bring the nation up to the level of the seven scientifically and technologically advanced nations of the world by 2010, he remarked.

The space development program calls for the launching of some 20 earth orbiting satellites by 2015, he added.

To help industries ride the globalization trend of research and development, he stressed that the government will encourage them to extend their international R&D (research and development) programs to the United States, like it already has with its laboratories in Europe and Russia.

Future Korea-U.S. cooperation in the science and technology fields will carry as much weight as security and trade will, he emphasized, and to prepare for this the government will set up a Korea-U.S. science center in the United States, he added.

Concerning inter-Korean relations, the president said at the reception for members of the Korean community here Saturday afternoon that "many more things" would be discussed at the third round of inter-Korean rice talks slated for August 10 in Beijing.

Kim will depart San Francisco Monday for Chicago where he will remain overnight before continuing on to Washington Tuesday for a four-day state visit.

'Radiation' Accident Reported Near Kori Plant

SK2207045195 Seoul THE KOREA HERALD
in English 22 Jul 95 p 3

[FBIS Transcribed Text] A radiation contamination accident has recently been reported from a complex of nuclear power plants in Kori, about 420 km southeast of Seoul, the Ministry of Science and Technology announced yesterday.

A safety inspector found June 19 that sewage ducts and places near a waste storage tank at Unit No. 2 were radioactive beyond the permissible level, the ministry said.

Radiation there measured 0.3 to 5.0 mR/h (milli Roentgen per hour), while natural radiation around the complex was 0.03 to 0.06 mR/h.

A further inspection of the complex found radioactive contamination at 15 other places along a passageway from the drumming station to the storage tank of Unit No. 2.

Radiation at nine of the 15 places, however, were found out to be lower than the criterion set by the International Atomic Energy Agency.

Under instruction of the ministry, the Korea Electric Power Corp. (KEPCO) has decontaminated the affected areas.

Probes have confirmed that the leakage has caused little effect on the health of staff members of the plant and residents near the complex.

"The contamination has been limited to the complex. Radiation in many affected areas has found out to be acceptable under international nuclear safety standards," a ministry spokesman said.

He, however, said that nuclear experts are now conducting overall safety checks for the complex.

The radiation accident is believed to have occurred in the course of transporting waste drums to storage facilities.

"Our judgment is that radioactive materials dropped from waste drums while being transported to storage

facilities without having their surfaces fully decontaminated."

"We feel very sorry to the people as this accident has occurred at a very sensitive time both at home and abroad," he said, apparently with the project to provide Korean standard nuclear reactors to North Korea in mind.

The Korean Peninsula Energy Development Organization, an international consortium tasked with providing North Korea with light-water nuclear reactors in return for scrapping its nuclear weapons program, began operations in New York Thursday.

At home, controversy has flared up over the dismissal of a key nuclear reactor engineer from a North Korean reactor supply project team.

Some reports said Yi Pyong-yong, vice president of the Korea Atomic Energy Research Institute, was forced out of the team because of his raising concern about moves to increase the involvement of U.S. firms in the nuclear project.

Following the radiation accident, the ministry has ordered replacement of old waste disposal facilities at the complex and strengthened safety inspections.

The Kori complex has four nuclear power plants. The No. 2 plant with a generating capacity of 650,000 kw went into operation in 1983. The No. 1 unit, the nation's first nuclear power plant, began operation five years earlier.

At present the nation has 10 nuclear power plants under operation and another one is under rest operation. Five others are under construction.

Minister Apologizes for Spill

*SK2207061295 Seoul YONHAP in English
0606 GMT 22 Jul 95*

[FBIS Transcribed Text] Seoul, July 22 (YONHAP) — Science and Technology Minister Chong Kun-mo, apologizing to the people for the recent radiation spillage which occurred at the Kori Nuclear Power

Plant, said Saturday [22 July] the government had no intention or reason to cover up the accident.

Minister Chong said in a statement that as the minister responsible for supervising the safety of nuclear power plants, he is sincerely sorry for the uneasiness people feel as a result of the accident.

Chong said he was notified of the spillage on June 24 and then took a series of administrative steps and investigated the causes of the accident.

The government had judged that the radiation spillage would not cause any direct harm to the people as the accident had been contained and because the contaminated area was now prohibited from public access.

New Party To Probe Spill

*SK2207061795 Seoul YONHAP in English
0604 GMT 22 Jul 95*

[FBIS Transcribed Text] Seoul, July 22 (YONHAP) — The new party being created by former opposition leader Kim Tae-chung formed an investigative team Saturday [22 July] to probe the July 19 radioactive leakage which occurred at the Kori Atomic Power Plant.

The team, headed by Rep. Son Se-il, was formed during a caucus meeting of the projected new party held at the National Assemblymen's Hall and will initiate the investigation at the plant on Sunday.

The Science and Technology Ministry announced Friday that radioactive material leaked from the Kori Atomic Power Plant last Wednesday in the course of taking nuclear waste to the storage area and contaminating nearby air and land.

The new party also formed a measures committee to achieve amnesty and civil rights restoration for "prisoners of conscience." The measures committee, chaired by Rep. Cho Se-hyong, plans to prepare a list of prisoners of conscience and push ahead with amnesty for them and restoration of their civil rights by visiting law enforcement authorities including the justice minister.

Burma

DAB Vice Chairman on Suu Kyi's Release

BK2407050195 Bangkok THE SUNDAY POST
in English 23 Jul 95 p 21

[Interview with Tin Maung Win, vice chairman of the Democratic Alliance of Burma (DAB) and members of the Political Leading Committee of the National Council of Union of Burma (NCUB), by Ralph Bachoe in Bangkok; date not given]

[FBIS Transcribed Text] **What is your stand on Daw Aung San Suu Kyi's release? Do you think the Slorc [State Law and Order Restoration Council] will allow her to be politically active again?**

Daw Aung San Suu Kyi's release spells a force for us and the country. It is best for Slorc to let her engage in politics freely if they are shrewd enough. If she is given a free hand she will do her best for the people. As the army is part of the people, it would serve the interests of the army to give her a free hand in politics. This will earn the Slorc the respect and appreciation of the people.

When do you think Suu Kyi-Slorc dialogue will begin?

It has been only ten days since Daw Suu had been released. There were numerous changes in domestic and international political arenas during her six years in detention. Listening to VOA [Voice of America] and BBC [British Broadcasting Corporation] does not give the complete picture. Therefore, Daw Suu should be given time. Likewise, the SLORC should be given time also. Personally, I don't think both sides should rush into things. Both parties need fundamental preparations. This takes time.

Do you feel the military is sincere in releasing Suu Kyi after earlier stating she would not be freed when her detention period expires?

It is obvious that Slorc has so many reasons behind this move like mounting international pressure such as impending US trade and diplomatic sanctions, problems in Slorc's National Convention, the up-coming Asean meeting, 1996 Visit Myanmar Year, inviting foreign investment and lastly an internal power struggle within the military itself. Although it is an admirable gesture, I personally don't want to give Slorc credit for it because of their previous records in renegeing on their promises.

Do you think there is any personal security threat to Suu Kyi now that she is free to travel anywhere in the country?

Everybody's greatly concerned about her personal security. At this moment, what I believe is that Slorc is also

afraid that something could happen to her. The people are very excited right now. I don't want to see them getting carried away with this new found freedom of hers. Close aides need to give her positive and constructive advice. We all must be very careful not to jeopardise her strategy. And it's also important not to force the other side into a corner. If we keep that in mind her personal security would be assured.

Is there a possibility of a repeat of the popular 1988 Democracy Uprising if Suu Kyi is rearrested?

It is possible. We all should avoid another bloodshed. I believe Daw Suu will do her very best this doesn't happen. It also depends on Slorc. Thirty-three years of military rule has shown that it has no regard or respect for domestic or international opinions. It's about time for them to be genuine in their gestures, and avoid further publicity stunts. Another danger is the ever-widening gap between the haves and have-nots. This situation should be addressed immediately if another Eight-Eight-Eighty-Eight [8 August 1988 Uprising] is to be avoided.

What role should the Burma Army play, and what are your views on power-sharing?

The army has many things to do in the country. What should be realised is, had the army gone about its duties as expected of any military, the situation in Burma would not have deteriorated to where it is today. It is imperative the generals be brave enough to admit their mistakes. Because of their follies three generations of Burmese have lost their identities. It is important Slorc should not make the same mistakes in the future. To avoid such a repetition Slorc must learn to accept the sovereignty derived from the people and take the opportunity now available to hold a sincere dialogue with Daw Suu. This is of utmost necessity.

There have been rumours of a split in the military. News from Rangoon has it that the military was of two minds concerning the release of Suu Kyi. Do you know anything about this?

We need to know what is rumour and what is wishful thinking. This is important. Sometimes rumours are created by the military intelligence itself. We should not be so gullible as to believe whatever we hear, or want to hear which leads to wishful thinking. Power struggle has existed in the military since the 1962 coup. The military has always been plagued by U Ne Win's divide and rule policy. Slorc is no exception. It is true that the military was divided over Daw Suu's release. Intelligence chief Lt Gen Khin Nyunt and Chairman Senior Gen Than Shwe were said to be in favour of releasing her, while the other top military brass was

against it. However don't be fooled by them. There is no such thing like hardliner or softliner within Slorc. All of them are hardliners. With them only the issues count.

As generally known, the US is preparing to impose sanctions on Burma. Now that Suu Kyi has been released, do you think the US should go ahead as planned?

Daw Suu has mentioned that nothing has changed apart from her release. Therefore, I personally think sanctions should be upheld at any rate. Specially, at this juncture, the international community should give Daw Suu unwavering support.

What are your views concerning a rush by foreign investors to Burma?

We have all along been saying that the time is not yet right for foreigners to invest in Burma or to resume aid to that country. Now, Daw Suu has told them not to rush in with their investments. Therefore, I say it would be the biggest mistake they ever make if they are to exploit the release of Daw Suu as an excuse to do business in Burma.

NCUB has proposed a tri-partite meeting. What is your view?

I am Vice Chairman of DAB (Democratic Alliance of Burma). Also, I am a member of the Political Leading Committee of NCUB (National Council of the Union of Burma). Therefore, I support their proposal. This should be the case also. Daw Suu has mentioned about taking into account the consensus of all parties to discuss the next move to achieve national reconciliation.

Is it necessary for the NCGUB [National Coalition Government of the Union of Burma], to participate in the tri-partite talks after the release of Suu Kyi?

NCGUB (National Coalition Government of the Union of Burma — government in exile) is made up of elected NLD (National League for Democracy) members. Therefore they do not question the leadership of Daw Suu. I am sure after holding discussions with her they would accept Daw Suu's decision whether they need to take part in the tripartite meeting.

The majority of DAB members have signed ceasefire agreements with the SLORC. Can DAB stand on its own?

It must be admitted that DAB as well as NDF (National Democratic Front) have been weakened since 1993. DAB is supported on Three Pillars. The first consists of groups from inside Burma like the ABSDF (All Burma Students' Democratic Front), DPNS (Democratic Party for New Society) and the ABYMU (All Burma

Young Monks Union). The second is made up of expatriate organisations. The third includes armed ethnic organisations. The objectives of these groups is to gain democracy and human rights, autonomy, self-determination and equality in a new federal union. This is what DAB wants. So in reality the ideals of DAB is very much in existence.

How many members are still with the DAB, and how do they view their former allies who have made peace with Slorc?

There are still 19 members, including the KNU [Karen National Union], remaining in the Alliance. The cease-fires by the armed ethnic groups with the SLORC are based on circumstances. However, it is best if there is a unified stand. There are still other ethnic groups who have yet to sign peace pacts with the Slorc. Anyhow DAB understands the position of the groups which have made peace with the military regime. DAB knows that they are genuinely sincere in their pursuit to obtain national reconciliation.

There are rumours the DAB is to be disbanded. Is this true?

No. We still have objectives to achieve. One of them is to enhance the future role of the NCUB. Ups and downs are natural in politics. A CEC [Central Executive Committee] meeting will soon be held to reassess the situation. DAB is an historical organisation that should not be undermined.

General Bo Mya is Chairman of DAB and President of the KNU. What happens if KNU decides to enter into a ceasefire agreement with the Slorc?

Everybody knows these ceasefires won't last. It's just that the sound of gunfire at the border areas have been silenced temporarily. The KNPP [Karen National Progressive Party] (Karen) is a good example. What we need is a permanent nationwide ceasefire. Should the KNU decide to go ahead, it would only mean their decision could be considered a tactical change in its strategy to gain national reconciliation.

How does DAB view Suu Kyi?

Frankly, it is our sincere belief that Daw Suu is the only person who can convene the Second Panlong Conference. We must stand firmly by her. She has tremendous support, not only inside Burma, but also of the international community. Therefore, it is the time for all democratic organisations to concentrate on national interest only. She has the key to the door leading to lasting peace.

Is there any chance of you returning to Burma after being away for 25 years, now that Suu Kyi is released

and the Slorc exuding confidence of having a firm grip on the reins of the country?

On the surface it seems Slorc have a firm grip. This is not true. If it were the case they would have released Daw Suu a long time ago. Nobody realizes that they are sitting on an active volcano that is about to erupt anytime. Of course I would like to return to Burma. However, I have decided not to just now. I will only after full democracy has been restored. I have been opposing the military regime since 1962, and I will continue to do so until the aspirations of the Burmese people and that of my father who died fighting for democracy 25 years ago are realised.

'Key' Khun Sa Commander Karnyord Leaves MTA
BK2207124695 Bangkok THE NATION in English
22 Jul 95 p A2

[Report by Yindi Loetcharoenchok]

[FBIS Transcribed Text] Golden Triangle warlord Khun Sa has suffered a "serious" internal split within his Muang Tai Army [MTA] as one of his key field commanders defected to the Burmese junta early last month, along with his troops.

While the actual number of those who joined Maj [Major] Karnyord, deputy commander of the 16th Brigade, in the June 6 defection is not confirmed, Thai intelligence officers estimated that at least 2,000 Shan fighters have distanced themselves from the MTA.

The defection occurred amid speculation of a major Burmese military advance against the group. The officers said the junta, or State Law and Order Restoration Council (Slorc), had in the past few weeks made several requests to the Thai Army for permission to fly helicopters or fighters through Thai air space to attack the MTA headquarters at Homong, opposite Thailand's Mae Hong Son province. The request has been refused.

Resentment within Khun Sa's organization over discrimination between the Shan and Chinese membership has increased over recent years.

The majority Shan members have accused the mostly Chinese leadership of exploiting the movement to facilitate and protect drug trafficking, instead of fighting for the nationalist cause of Shan independence from Burma.

The group also claim Chinese members have been promoted to powerful policy-making positions, while the majority Shans remain at the grassroots level of battlefield troops.

In a July 19 report released on Thursday, the MTA said Karnyord declared on June 6 that he was leaving to establish his own army, the Shan State National Army.

It said Karnyord, "one of the best-known fighters of the MTA", was about to succeed outgoing Khun Aung Htun as the 16th Brigade commander "when he suddenly made known his decision to split and make a ceasefire agreement with Slorc".

"The events are of course of serious concern. The leaders of the MTA admit to being guilty of taking things too much for granted. They realize they should have dealt with the tendency to localism among area commanders before it took root."

Karnyord cited discrimination within the MTA, deviation from the independence aim and the inability of the MTA to rid itself of the drug stigma as the motives for his defection.

The report, a copy of which was sent to THE NATION, said Khun Sa, during an urgent MTA meeting on July 19, "appeared to have resigned himself to the situation, after an initial emotional response", but "his lieutenants hotly countered Karnyord's 'discrimination' accusations as a direct attack on Khun Sa's sincerity".

It did not mention where the Shan major and his new group had established themselves, but said Zao Gunjade, a well-liked Shan field commander and chairman of the Shan State National Congress, had crossed the Salween River "on a mission to bring Karnyord to the negotiating table rather than the battlefield".

"We sincerely hope that a reconciliation can be achieved," it said.

The defection took place at a crucial time, when the Burmese military is over-running MTA bases and Thai restrictions are limiting food and medical provisions to areas controlled by Khun Sa.

Last October the Thai Army sealed off the frontier and law enforcers have cracked down on arms and weapon smuggling to the MTA and other Burmese ethnic guerrilla forces.

An MTA officer told THE NATION yesterday that fighting was continuing away from the Thai-Burmese border and the group was bracing itself for a heavy Burmese offensive as Rangoon's forces had once again started rounding up porters in the Tachilek area.

The report claimed that only a minor faction had joined Karnyord in the defection and that the MTA "shall welcome him with open arms".

"...despite Karnyord's treachery, the MTA is still strong. Those who have gone with him are but a mere faction

of the whole. However, we have to admit that we are not without weak points, which call for improvements."

At the July 19 meeting, MTA participants questioned if Karyord's defection stemmed from a desire for the independence of the Shan state, or was just "an excuse to switch his allegiance to the Burmese".

The report cited a leader from the Shan State National Congress as calling on the Shan populace not to be divided by the split, but to try to reunite the two parties. "For only through unity will all our problems be solved," it said.

Paper Views Rangoon-Beijing Relationship

BK2407055595 Rangoon MYANMAR ALIN in Burmese 7 Jul 95 p 8

[Editorial: "Thriving Myanmar-Chinese Friendship; Strengthened Bilateral Cooperation"]

[FBIS Translated Text] A goodwill delegation led by General Chi Haotian, state councillor and defense minister of the People's Republic of China [PRC], and his wife arrived in Myanmar [Burma] on 5 July at the invitation of Gen. Maung Aye, vice chairman of the State Law and Order Restoration Council of the Union of Myanmar.

Gen. Maung Aye and his wife hosted a banquet in honor of the visiting goodwill delegation from the PRC. At the banquet, both generals delivered addresses and expressed their desire to strengthen the friendly relationship between the two countries.

In his address Gen. Maung Aye says: "We in Myanmar believe in and practice the establishment of a self-reliant society that has a healthy spirit and sound moral conduct, while laying down good foundations to establish unity among the national people and to build a democratic system. The economic sector has been established based on these convictions and in accordance with the Lawkapala Principles [worldly principles]; and good results have been achieved in laying down and implementing the systematic arrangements to make the thriving private sector show steady growth."

In his address Gen. Chi Haotian says: "Myanmar is a rich, beautiful country; the Myanmar people, who are diligent, persistent, and courageous, are working with maximum effort to establish the state economy; within the past few years the Myanmar economy has shown continuous growth, and in the agricultural sector rice production has increased each year, reaching a high level in the history of rice production; and the living standards of the people have risen. As a sincere and genuine friend of the Myanmar people, we are delighted

at Myanmar's success and we wish the Myanmar people and the Myanmar Defense Services further success."

It is obvious that both countries are able to establish a mature and strengthened friendship because the PRC and Myanmar always work together for common goals as good neighbors and they mutually rely on and trust each other.

It has been learned that opportunities have been opened up to establish peace and stability in the region because of Myanmar's all-round economic development, which has benefited from the steady expansion of trade over a period of time, and also because of the friendship and strengthened relationship based on the understanding between the two defense services.

The friendship and mutual cooperation between Myanmar and the PRC — a friendly, neighboring country that has studied and made impartial comments on the changes in Myanmar and the efforts of Myanmar people and one that is delighted at the achievements of the Myanmar people — will continue to flourish forever.

Ohn Gyaw Meets With Japanese Officials

OW2307054395 Tokyo MAINICHI SHIMBUN in Japanese 22 Jul 95 Morning Edition p 3

[By reporter Kinshiro Hirose]

[FBIS Translated Text] Rangoon, 21 Jul — Japanese Ambassador to Burma Takashi Tajima and Foreign Ministry Asian Affairs Bureau Counselor Masaaki Ono held an hour-long meeting with Burmese Foreign Minister Ohn Gyaw at the Burmese Foreign Ministry on 21 July.

In the meeting, the Burmese foreign minister expressly stated that Burma plans to participate in the ASEAN foreign ministerial meeting to be held late this month in Brunei. He then said: "I am finalizing plans to hold a private meeting with [Japanese] Foreign Minister Yohei Kono (in Brunei)." In this way, Gyaw indicated that Burma hopes for a total resumption of Japan's ODA programs.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Addresses Situation in Bosnia

Says West Appeasing Serbs

BK2107132395 Kuala Lumpur RTM Television
Network 1 in Malay 1200 GMT 21 Jul 95

[Passages in italics in English]

[FBIS Translated Excerpt] Prime Minister Datuk Sri Dr. Mahathir Mohamed will not attend the 50th commemorative assembly of the United Nations in New York. Answering questions from reporters in the nation's capital, Dr. Mahathir said he has lost faith in the body's ability to achieve world peace, citing the situation in Bosnia-Herzegovina:

[Begin Mahathir recording, in progress] *...the other members of the Security Council who are quite determined, I think, to make this fait accompli. In other words, they will allow the Serbs to occupy all the Bosnian land and for the Bosnians to be phased out. And then they say: Well, it is already Serbian territory; we can't do any more. This is the strategy of the West, I believe. I have a good reason to believe that their idea is a fait accompli. Everything is taken by the Serbs. Nobody is prepared to push the Serbs out. Therefore, we should give it to the Serbs.* This is similar to the situation in 1939 when Chamberlain went to Czechoslovakia. *Czechoslovakia was invaded by the Germans. The British prime minister easily said to concede and give it to the Germans. He said: Peace in our time. That is the Western strategy; sacrifice other people's land, provided they are safe. This is nothing new. This is typically the strategy of certain Western powers.* [end recording] [passage omitted on inspection of Kuala Lumpur Tower project]

Rejects Arms Embargo

BK2207131295 Kuala Lumpur RTM Television
Network 1 in Malay 1200 GMT 22 Jul 95

[FBIS Translated Text] In Jitra, the prime minister said Malaysia welcomes the decision of the OIC [Organization of the Islamic Conference] Contact Group, which met in Geneva, on Bosnia.

[Begin Mahathir recording] In my opinion, the arms embargo against Bosnia has violated the principles of the United Nations under which every country or nation has the right to defend itself. NATO and the United Nations theoretically ban arms supplies to all parties. We know that the Serbs are receiving arms and oil supplies, but Bosnia is facing a total embargo. The embargo appears to have been designed to allow them

to be murdered easily by the Serbs. This is injustice at a level we have never seen before. Those who are being threatened are not allowed to defend themselves. Accordingly, OIC members consider the embargo illegal and incompatible with the principles of the United Nations and consequently will not honor the sanctions. [end recording]

Defends Decision To Sell Arms

BK2307135695 Kuala Lumpur RTM Television
Network 1 in Malay 1200 GMT 23 Jul 95

[FBIS Translated Text] Malaysia is anticipating Western countries' reaction following its decision to sell arms to Bosnia. Speaking to reporters in Langkawi, Prime Minister Datuk Sri Dr. Mahathir Mohamed said everybody knows the Bosnian people are not armed like the Serb terrorists. It is unfair for the United Nations to not allow the Bosnian people to arm themselves for self-defense.

[Begin Mahathir recording] We will see why Western countries do not want to protect the Bosnian people. These Western countries even see to it that the Bosnians are murdered and thrown out of their own country. [end recording]

Urges Sacking of Butrus-Ghali

BK2307072795 Kuala Lumpur BERITA HARIAN
in Malay 22 Jul 95 pp 1, 2

[Report by M. Thillinadan]

[FBIS Translated Excerpt] Kuala Lumpur, Friday [21 July] — Malaysia will try to persuade all members of the Organization of Islamic Conference [OIC] to submit a no-confidence motion against Butrus Butrus-Ghali as secretary general of the United Nations.

Datuk Sri Dr. Mahathir Mohamed attributed the need for this to Butrus-Ghali's wavering stance on the war in Bosnia-Herzegovina, which has been dragging on for four years, and his failure to end it.

Butrus-Ghali, a former Egyptian minister of state for foreign affairs, who was appointed as UN secretary general to replace Javier Perez de Cuellar in November 1991, has been considered a puppet of the West for his reluctance to act firmly against the Serb terrorists.

According to the prime minister, Malaysia will put forward the proposal during the emergency OIC meeting that begins in Geneva today. Malaysia is represented by Foreign Minister Datuk Abdullah Ahmad Badawi. [passage omitted]

Foreign Minister Views Regional Issues

BK2107163395 Kuala Lumpur UTUSAN MALAYSIA
in Malay 20 Jul 95 p 6

[Interview with Foreign Minister Abdullah Ahmad Badawi by P. Bala Kumar; place, date not given]

[FBIS Translated Text] [Kumar] How does Malaysia view Vietnam's admission into ASEAN as the seventh member of the grouping?

[Abdullah] Vietnam's admission into ASEAN this year is in accordance with the 1967 ASEAN Declaration for cooperation among all countries in Southeast Asia to boost economic growth, social and cultural development, and the development of science and technology as well as agriculture. It is necessary to establish cooperation in these fields to guarantee regional peace and stability. The Treaty of Amity and Friendship in Southeast Asia, signed by the heads of government of the ASEAN member countries in Bali in 1976, also states clearly that ASEAN membership is open to all countries in Southeast Asia.

As far as Malaysia is concerned, Vietnam's membership in ASEAN is a proper move and is in accordance with the desire for growth in ASEAN.

[Kumar] How can Vietnam contribute to strengthening ASEAN?

[Abdullah] Vietnam's membership in ASEAN will strengthen the grouping as well as regional cooperation. Before this, Southeast Asia was still considered an area divided in two — between the ASEAN countries and the Indochinese countries and between the communist and noncommunist countries. With Vietnam joining ASEAN, this division will disappear. Vietnam's membership in ASEAN will encourage the other countries in Southeast Asia — Cambodia, Laos, and Burma — to create a region that is more peaceful and stable and will increase cooperation for the common good in the fields of economy, politics, and the like.

Vietnam's membership will also hasten the process of creating a zone of peace, freedom, and neutrality (ZOPFAN) in Southeast Asia.

[Kumar] What assistance is ASEAN providing Vietnam in connection with the effort to implement the ASEAN Free Trade Area (AFTA)?

[Abdullah] Through the mechanism of the Economic Ministers Meeting, ASEAN had taken into account the problems faced by Vietnam. These problems were identified in several discussions on the implementation of AFTA and the special timetable to achieve its objectives. Even though AFTA will be created on 1 January 2003 in the other ASEAN member countries,

Vietnam will be given a grace period from 1 January 1996 to 1 January 2006 to fulfill all AFTA agreements.

[Kumar] Will Vietnam's membership pave the way for the other three Indochinese countries to join ASEAN?

[Abdullah] Vietnam's membership marks a positive step in ASEAN's effort to bring together all the countries of Southeast Asia. Laos became an ASEAN observer in 1992 when it signed the Treaty of Amity and Cooperation in Southeast Asia at the 25th ASEAN Foreign Ministers Meeting (AMM) in Manila. This is the first step for any country that wishes to become a member of ASEAN. Cambodia is expected to submit a certification document on the treaty on 28 July at the 28th AMM in Bandar Seri Begawan. Burma has expressed the wish to do likewise to qualify as an ASEAN observer.

ASEAN will make an in-depth study to simplify procedures for other countries to join ASEAN, taking into consideration economic and political conditions in the countries concerned.

[Kumar] Do the superpowers object to Vietnam joining ASEAN?

[Abdullah] The current AMM and all countries in the Asia-Pacific region — including the United States, China, and Japan — welcome Vietnam's membership in ASEAN. Vietnam can expedite its development process by establishing multilateral cooperation through the activities and programs of ASEAN and its dialogue partners such as the United States, Australia, Canada, New Zealand, Japan, the European Union, and South Korea.

Tension

I believe the country's admission into ASEAN at the upcoming 28th AMM is one of the reasons why the United States decided to reopen diplomatic ties with Vietnam.

[Kumar] Lately, tension has developed among several ASEAN member countries; for example, with the death sentence carried out on a housemaid in Singapore. Has the spirit of ASEAN solidarity and integrity been put to the test by this case?

[Abdullah] The death sentence on the Philippine housemaid in Singapore is a bilateral issue between those two countries. The tense bilateral relations between the countries concerned do not affect ASEAN's integrity because such problems are usually not discussed at the ASEAN level. I believe that the spirit of ASEAN solidarity and integrity has become a basis for and encourages ASEAN to seek the settlement of problems that occur from time to time.

[Kumar] There is now massive support for APEC [Asia-Pacific Economic Cooperation]. What is ASEAN's role in this, and is APEC a threat to the future of ASEAN?

[Abdullah] The role of ASEAN in APEC depends on the ASEAN member countries themselves. Since the formation of APEC in 1989, ASEAN has been the pillar of economic cooperation within APEC. ASEAN's position is diminishing, however, because the member countries are not united and firm in handling APEC-related issues. It is not easy, for example, for ASEAN to reach agreement on the issue of APEC membership and the process of liberalizing trade and investment in the Asia-Pacific region.

This is because some countries in ASEAN are protecting their own individual interests and not those of ASEAN as a group. Some have been influenced by the super-powers and big economic powers in APEC. If we look at it from this angle, the conclusion is that ASEAN has not been isolated and divided by APEC. From another angle, the ASEAN member countries have formulated their own positions on APEC.

ASEAN will continue to discuss at length whether or not APEC is a threat to ASEAN. I believe, however, that ASEAN will be able to overcome this in the long run. This is because ASEAN is a stronger and more compact grouping than APEC. ASEAN can also move faster toward achieving the goal of liberalizing trade.

Cooperation

As a matter of fact, AFTA will be realized by 2003. With the admission of Vietnam and the interest showed by the other Indochinese countries and Burma in cooperating with ASEAN, the member countries will have a stronger commitment to the grouping.

[Kumar] Is the 28th AMM going to look for a new approach to realize the EAEC [East Asia Economic Caucus] following the "informal gathering" among ASEAN, Japan, South Korea, and China during the 27th AMM in Bangkok last year?

[Abdullah] The 28th AMM will discuss efforts to realize the EAEC. In the meantime, the six plus three (or this time seven plus three) process will continue. We will try to select an interesting issue so that the seven plus three meeting will be more focussed [preceding word in English] and successful.

[Kumar] Will the ASEAN senior officials meeting (SOM) focus on the EAEC?

[Abdullah] The EAEC will be discussed during the 28th AMM the way it has been at previous AMM's. The concept of a caucus among countries in East Asia is still relevant, especially in the context of the existing

caucus of like-minded countries [preceding four words in English] in APEC.

If this caucus [preceding word in English] can exist, then the EAEC can also be created.

Regional Security

[Kumar] Will the upcoming ASEAN Regional Forum (ARF) concentrate on the overlapping claims to the Spratlys following the tension created in the area by China and the Philippines?

[Abdullah] The ARF hopes to discuss issues of politics and regional security in ASEAN and the Asia-Pacific region. The South China Sea issue will have to be settled amicably by the countries concerned; otherwise regional stability will be affected.

Keeping this in mind, ASEAN issued a Declaration on the South China Sea in 1992, in which all claimant countries to the Spratlys agreed to resolve the conflict amicably and in a manner acceptable to all parties. Recently, ASEAN issued a statement urging a quick settlement to the conflict around Mischief Reef in the Spratly Islands.

ASEAN will continue to support international conferences such as the workshops on managing potential conflicts in the South China Sea organized by Indonesia. This enables all parties concerned to highlight problems and seek ways to settlement them fairly.

'Impressive' 1st-Quarter Growth Rate Posted

BK2107090295 Kuala Lumpur THE STAR in English
21 Jul 95

[Received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — The Malaysian economy posted an impressive first-quarter growth of 9.9 per cent, with the manufacturing sector expanding at 15.3 per cent in the first five months of the year.

According to the Malaysian Institute of Economic Research's (MIER) business condition survey report, the manufacturing sector continued to play an important role in the growth process.

MIER's business condition index, a leading indicator of economic activities in the manufacturing sector, surged to 67.1 points in the second quarter, its best reading since 1990 (69 points).

It said the buoyant business sentiments of Malaysian manufacturers were likely to filter into the next quarter given that most of the indicators were pointing upwards.

External orders were more brisk than those from the domestic market in the second quarter of the year, with about 39 respondents reporting increases in new orders from foreign buyers.

Investment spending had been on a downward trend since the third quarter of 1994.

Job openings in the manufacturing sector remained active in the current quarter with higher employment noted in the plastic products, electronics, chemicals and metal-based sectors.

However, owing to rising demand and shortage of labour, manufacturing prices and wages are unlikely to moderate further in the near future.

Cambodia

Khmer Rouge Radio Comments on Christopher Visit

BK2307123395 (Clandestine) *Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian* 2330 GMT 22 Jul 95

[Unattributed commentary: "The coming trips of Warren Christopher to Cambodia and Vietnam confirm the U.S. policy to feed communist Vietnam and continue communist Vietnam's war in Cambodia, and also the U.S. policy to collaborate with communist Vietnam to interfere and split countries in the region"]

[FBIS Translated Text] 1. U.S. Secretary of State Warren Christopher will soon be coming to Cambodia and Vietnam. Everyone clearly knows that the United States is the one who further fuels communist Vietnam's war in Cambodia to kill our nation, people, and race. The United States is also coming to collaborate with communist Vietnam to interfere and split countries in the region to destroy peace, security, and stability in order to reap benefits.

2. The previous trip to the region was made with the same dark goal in mind. He is coming this time also with this same bad goal in mind. Earlier, he was beaten seriously. Peace- and justice-loving countries in the region, in cooperation with our nation and people, smashed U.S. plans and maneuvers to set up military bases in the region to, on the one hand, drag countries in the region into communist Vietnam's war in Cambodia, and on the other, to enable the United States to be the cop in this region. The U.S. plans and maneuvers have been disgracefully exposed to this day by this struggle. The resolute will to struggle of peace- and justice-loving countries in the region, in solidarity with the Cambodian nation and people who struggle to safeguard the nation and race, won against the warmongering policy of the United States and communist Vietnam.

3. Warren Christopher's trip to Cambodia this time is being made during a new situation in which the two-headed government, communist Vietnam's puppet, and the alliance, are disintegrating in every sector: military, political, social, economic, financial, and so on. This situation has made communist Vietnam and the alliance realize clearly that the end of the traitorous two-headed government, their lackey, is approaching.

4. The question is this: How will the United States and Warren Christopher deal with this situation? The answer is that the United States and the alliance should stop pleasing communist Vietnam; stop supporting the communist Vietnam regime, the fascist, dictatorial, and very corrupt two-headed government; and stop fueling the war to kill the Cambodian nation, people, and race.

The United States should stop collaborating with communist Vietnam and the two-headed government that allow millions of ethnic Vietnamese to flow into Cambodia to annex the country. The United States should respect the Cambodian people's right to self-determination to restore genuine national reconciliation and peace in Cambodia.

This is the only way beneficial to the Cambodian nation and people, the United States, and also to peace, security, and stability in the region.

Singapore Foreign Minister Visits 18-20 Jul

Ing Huot Views Visit

BK2107091895 *Phnom Penh REAKSMEI KAMPUCHEA in Cambodian* 20 Jul 95 pp 1, 11

[FBIS Translated Text] Ing Huot, minister of foreign affairs and international cooperation, has said: The current visit to the Kingdom of Cambodia [KoC] by Singaporean Foreign Minister Jayakumar has brought comfort to encourage Singaporean traders to become even more daring in their investment in the KoC.

Ing Huot said this on the morning of 18 July at Pochentong Airport where he went to welcome the Singaporean foreign minister. Ing Huot went on: This is the first visit to the KoC by the Singaporean foreign minister at the invitation of the KoC Foreign Ministry.

The minister stressed: This visit will further expand the cooperation between the two countries, especially in the exchange of important commercial products and in investment on harbor and hotel services, light industry, and on many other fields, such as agriculture and transportation. At the same time, Singapore has helped the Cambodian Foreign Ministry in developing human resources for Cambodia so they will be able to work

with ASEAN when Cambodia becomes a full-fledged member.

Ing Huot disclosed that over 200 Singaporean companies are now investing in Cambodia. Singapore is the biggest investor in Cambodia. All of these Singaporean companies are recognized as good and experienced companies. Most of these companies have been introduced by the Singaporean prime minister.

In its three-day visit to Cambodia, the Singaporean delegation will go to Siem Reap Province to visit Angkor Wat and assess the possibilities of expanding tourism in Cambodia. Also on 19 July, Jayakumar will pay a courtesy call on Samdech Chea Sim, acting head of state. On 20 July, he will call on the samdech krompreah, first prime minister, and Samdech Hun Sen, second prime minister of the KoC.

Hun Sen Receives Jayakumar

*BK2407074595 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 22 Jul 95 pp 1, 11*

[Report by Dararit]

[FBIS Translated Text] According to Samdech Hun Sen, second prime minister of the Kingdom of Cambodia, Singapore and the Kingdom of Cambodia have improved not only their state relations but also private contacts. This is testimony to the closer ties between the two neighboring brotherly countries.

The second prime minister stated this at an audience with Singapore Foreign Minister Jayakumar at the Council of Ministers office on the morning of 20 July. He thanked the Singapore foreign minister for his high assessment that Singapore is having better relations and cooperation with the Kingdom of Cambodia. The samdech added: It is true that since the formation of a legitimate government in the Kingdom of Cambodia, contacts between Cambodia and Singapore have improved significantly. The two countries' prime ministers have met to officially exchange experiences in national construction; their ministers have also regularly exchanged visits. Privately, Singapore is one of the leading regional investors in Cambodia, expanding and developing the business deals between the two countries.

Samdech Hun Sen also said that now more than ever, Cambodia needs investment partners and that Singapore, like other regional countries, is a fine partner that can assist Cambodia in economic development.

The Cambodian Government has tried to attract as many foreign investors as it can through the codification of an investment law that is suitable and perfect for protecting the interests of all foreign investors.

The second prime minister appealed to the Singapore Government to help develop Cambodia, specifically its human resources, and to urge as many Singapore companies as possible to invest in the country. He also called on the Singapore Government to continue supporting Cambodia in its national construction and development process, enabling it to catch up with other states in the region.

In his reply, Jayakumar said Prime Minister Samdech Hun Sen's request that the Singapore Government help urge more Singapore investors to come to Cambodia is line with Singapore's economic policy that aims at expanding investments overseas, especially in the region. Since Singapore is a small island without ample spaces, Cambodia, with bountiful unexploited land, is a target of Singapore investors.

Jayakumar added that as Cambodia is striving to help itself, Singapore pledges to continue assisting it especially in human resources development. Singapore will help train Cambodians so they are able to speed up the development of the country. In particular, it will help prepare Cambodia to become an ASEAN member which needs capable personnel who can sit side by side with their regional colleagues.

In conclusion, Jayakumar said the Singapore Government will try to help Cambodia as a regional brotherly country with all of its available resources.

Ranariddh Meets With Minister

*BK2407074895 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 23 Jul 95 p 2*

[FBIS Translated Text] Prince Krompreah Norodom Ranariddh, first prime minister of the Kingdom of Cambodia, told Singapore Foreign Minister Jayakumar that the Royal Government of Cambodia [RGC] wants more Singaporean investors in Cambodia and is confident in them. The RGC will provide all manner of guarantees for them and is confident that all these investors in Cambodia will achieve common interests for the two countries — Cambodia and Singapore.

Prince Krompreah Norodom Ranariddh said this at a meeting with visiting Singapore Foreign Minister Jayakumar held at the prince's residence on the afternoon of 20 July.

The prince added: Singapore has assisted Cambodia, especially in developing human resources and boosting Cambodia's education and social development.

Concerning ASEAN, the prince said that Cambodia wanted to become an ASEAN member, but we need to spend more time studying the development and drawing experiences from the association as an observer.

The prince also urged more investors from Singapore to study the possibilities of investing in agriculture in Cambodia or to assess the possibilities for agro-industry because there is plenty of land in Cambodia for planting industrial crops.

Jayakumar told the prince that Singapore would assist Cambodia in technical fields which is an important foundation for national development.

Concerning the problem of Cambodia becoming an ASEAN member, the foreign minister stressed that Singapore would help train Cambodian officials in foreign affairs and technical matters so that Cambodia can easily become an ASEAN member.

Thai Army Reportedly Blocking Rice Shipment

BK2107095595 Bangkok BUSINESS DAY in English
21 Jul 95 p 3

[Report by Robin McDowell]

[FBIS Transcribed Text] Phnom Penh — The Thai army is preventing an 8,700 metric ton rice shipment from crossing into Cambodia for "security reasons", according to an official from the World Food Program (WFP).

"The decision depends on the Thai army. Permission to cross the border is not being granted for 'security reasons'," said Philippe Borel, the WFP country director. "Clearance apparently needs to be signed by one omnipotent commander."

Meanwhile some 30,000 refugees, internally displaced people (IDPs) and villagers suffering from poor rice harvests this year and last year, are without means of survival, he added.

The World Food Program (WFP) makes food distributions into Cambodia — where internal stocks are practically non-existent — through two points. By land, it is distributed from Thailand to the city of Poipet in Banteay Meanchey province. That food is earmarked for the northwestern and western provinces. Shipments that arrive by sea, via the Kompong Som port, are intended for the southern and eastern regions of the country.

"The northwest and the west of the country is very, very important place for us because of the large number of IDPs," said Mr Borel, adding that shipping food by road is much cheaper. "It is very important that flow from Thailand to Poipet remain regular and is not stopped. Through this route Cambodia gets more food for less money."

Cambodian authorities have denied that the road is unsafe for travel, Mr Borel said. The vice-governor of

Sisophon said that there was no reason why the trucks should be denied permission to cross, he said.

However, the second secretary at the Thai embassy in Phnom Penh, Choetkiat Atthakon, said a fax was sent to the authorities in Bangkok to inquire about the food block. No response has yet been received, he added.

"At the policy level there is no problem," he said.

The problem seems to be with local authorities, he added. But while the government in Phnom Penh has assured the safety of the road, there is still concern for the Thai nationals driving the 300 trucks into Cambodia, Mr Choetkiat said, adding that national holidays in Thailand earlier this week may have contributed to delays.

Meanwhile Mr Borel expressed concern for those awaiting shipments: "The situation is quite dramatic. In the IDP camps you can already see a lot of malnutrition. You see blond children, who are naturally dark-haired, indicating deficiency."

This is the first time that food has been stopped for such a length of time at the border, and the situation is causing some concern that food shipments will be prevented from entering the country in the future, he said.

The Thai government has agreed to donate rice to the Cambodian Red Cross to distribute to IDPs. On July 22 the Cambodian Red Cross (CRC) plans to bring 109 metric tons of donated rice from Thailand to Poipet.

Khmer Rouge Reject Government Loan Agreements

BK2407051795 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 22 Jul 95

["Communique" issued by the spokesman of the Provisional Government of National Union and National Salvation on 22 July; place not given — read by announcer]

[FBIS Translated Text] In the past, as at present, some foreigners have signed agreements to loan money to the two-headed government; the loans are to be repaid over so many years.

The Cambodian nation and people reject and declare null and void all these agreements and signings. The Cambodian nation and people will not be responsible for these loans to the two-headed government because the two-heads are lackeys of communist Vietnam. They are traitors who have sold the nation and territory to communist Vietnam. They are totally corrupt; they

have not used the money or the various types of aid from foreign countries to serve the people's interest. On the contrary, the two-heads have used a large part of the money to buy weapons and ammunition to continue communist Vietnam's war to kill and massacre the Cambodian race and to continue sowing great destruction and suffering.

As for other portions of the money, that has been stolen and expropriated by Hun Sen, Chea Sim, Ranariddh, and Sar Kheng, the traitorous and very corrupt ringleaders, for their cliques and family members. This money is all to do with the strategy of the villainous creatures who are using it to continue the war and destroy national reconciliation, peace, national independence, and to plunge the Cambodian nation and people into disaster.

The two-headed government has not been using the money coming from loans or aid to build the country. The people have been victims; they are short of food and water and have suffered; they have almost even reached the point of total nationwide demise. Therefore, the Cambodian nation and people and the future government will in no way be responsible for repaying these loans. Those who signed agreements with the two-heads shall be fully responsible for them themselves.

22 July 1995

The Spokesman of the PGNUNS

Indonesia

Alatas Confirms PRC 'Never Claimed' Natunas

BK2207100895 Jakarta ANTARA in Indonesian
2005 GMT 21 Jul 95

[FBIS Translated Text] Jakarta, 21 Jul (ANTARA) — The Chinese Government has said that it has never claimed any parts of the Natuna Islands, which belong to Indonesia, Foreign Minister Ali Alatas said.

"Qian Qichen (Chinese foreign minister) stated clearly that the Natuna Islands belong to Indonesia and the Chinese Government has never claimed the islands," he told reporters upon arrival at Sukarno-Hatta Airport in Jakarta on Friday evening after concluding a three-day visit to Beijing (19-21 July).

Some time ago, Indonesia was surprised by the existence of a map of China's exclusive economic zone, which includes parts of the Natuna Islands in the South China Sea.

The Natunas are believed to contain 6.3 trillion cubic feet of gas.

Accordingly, the Indonesian Government sent a diplomatic note to China demanding clarification of the nine broken boundary lines on the map.

However, the Chinese foreign minister told Alatas during the visit that China had never claimed the islands.

"I think that the explanation was satisfactory because China, like us, adheres to the 1982 Convention of the Law of the Sea.

"What constitutes an archipelagic state is clearly defined in the convention," he said.

Meanwhile, China also stated that it was ready to settle overlapping claims to the Spratlys through peaceful negotiations on the basis of existing international laws, including the 1982 Convention of the Law of the Sea.

"The Chinese Government is always ready to settle overlapping claims with other countries through peaceful negotiations and without force," Alatas said, adding that his brief visit to Beijing was very productive.

Article Examines SRV Membership in ASEAN

BK2107125495 Jakarta SUARA KARYA
in Indonesian 20 Jul 95 pp 1, 11

[Article by Agusti Anwar Harahap: "Vietnam's Membership in ASEAN" — passages in italics published in English]

[FBIS Translated Text] Vietnam formally moved to join ASEAN when Vietnamese Foreign Minister Nguyen Manh Cam sent a *written application* for his country to become the seventh ASEAN member to Bruneian Foreign Minister Mohamed Bolkiah, chairman of the 28th ASEAN Standing Committee, on 17 October 1994. Thus, Vietnam is no longer confining its intention to statements, but has fulfilled the administrative procedures by submitting its application in "black and white."

Apparently, Vietnam's full membership in ASEAN will become a reality soon. According to the ASEAN agenda, the 28th ASEAN Ministerial Meeting (AMM) and a special ministerial meeting, the topic of which will be the "*admission of Vietnam*," will be held in Bandar Seri Begawan in July.

In general, the ASEAN members have no objection to the membership. ASEAN Secretary General Ajit Singh said during a visit to the country in early 1994 that "there are no obstacles to Vietnam's membership in ASEAN." It is just a matter of time. The issue was discussed more specifically at the 27th AMM in Bangkok in July. The members unanimously said that Vietnam's membership posed no political problem, but Vietnam needed to

fulfill the administrative procedures. There was even an impression that the membership would be accelerated.

The Vietnamese Factor

Given its name, ASEAN is a regional group that should include all the countries of Southeast Asia. Geographically speaking, ASEAN should include the six current ASEAN members as well as Laos, Vietnam, Cambodia, and Burma. The possibility of ASEAN grouping all regional countries is very good. Brunei Darussalam's entry as the sixth member on 7 January 1984 was clear proof. Under its present formulation — minus the four Indochinese countries — ASEAN is nominally a regional group but in reality just a subregional group.

Under the Bangkok Declaration signed on 8 August 1967, "the association is open to all countries in Southeast Asia..." on the condition that they endorse the intentions, objectives, and principles of the declaration. The declaration clearly demonstrated the *far-reaching vision* of the five founding members (Indonesia, Malaysia, the Philippines, Thailand, and Singapore) in view of the low level of regional stability and the strong communist influence in Indochina at that time. Based on this definition, the Indochinese countries are eligible for ASEAN membership.

The Cold War and the Indochinese conflict were factors that hampered the realization of ASEAN's idea of becoming a regional group of "one Southeast Asia." Vietnam came off as an aggressive communist country through its intervention in Cambodia in 1978. Historically, Vietnam had long been a crucial factor in war and peace in Indochina and was considered a source of instability in the region. Not only did Vietnam's intervention in Cambodia present the Indochina subregion with a *prolonged conflict*, it also became the main obstacle for its membership in ASEAN.

From the ASEAN perspective, the conflict in the Indochina subregion was a potential threat to regional stability, which is an important factor for development. This being the case, ASEAN — which upholds the principles of *nonviolation of national sovereignty* — offered its *good offices* to achieve a *peaceful settlement* of the Indochinese conflict to maintain a comprehensive peace in Southeast Asia.

Vietnam's chance to join ASEAN opened after Vietnam showed goodwill by ending its intervention in Cambodia in 1989. The withdrawal of Vietnamese troops from Cambodia made the prospects for peace in Indochina more promising, although the process was not easy.

The withdrawal contributed greatly to the efforts to achieve national reconciliation in Cambodia. ASEAN

and other members of the international community became the architects of a new Cambodian government following the May 1993 general elections under the auspices of the UNTAC [United Nations Transitional Authority in Cambodia] after sponsoring the first Jakarta *informal meeting* (JIM I) and JIM II, which subsequently led to the 1991 Paris agreement.

Politically, Vietnam was in fact "prepared" to join the "great family" of ASEAN when it recognized the principles of nonintervention, despite a wide gap between its economy and those of the ASEAN members.

Membership

Indeed, there is a difference between Brunei Darussalam's and Vietnam's entry into ASEAN. Brunei Darussalam's membership was considered "natural" because of its historical and cultural affinity with the Malay world. Brunei Darussalam applied for membership and its application was immediately accepted only days after it proclaimed independence. Sukhumphan Boriphat [Thai academic] called the country's membership "the first momentous act of expansion in the history of the regional organization."

Of course, this was related to Vietnam's aggressive profile. Vietnam's intention to become a new member could not be unanimously accepted due to its history. Four ASEAN members did not view Vietnam as an "immediate threat" to their national security, but Thailand and Singapore regarded Vietnam as a threat.

Accordingly, intellectuals feared that unsmooth relations between Vietnam and Thailand and a lack of enthusiasm on the part of Singapore could delay Vietnam's entry into ASEAN. They noted that the ASEAN mechanism is based on consensus, not voting.

This fear later became less serious. ASEAN has managed to build a common perception on Vietnam's possible membership. As a minor irony, Singapore has become the most aggressive in seeking investment in Vietnam and has been very active in assisting with training programs for Vietnamese officials.

Vietnam's intention to join ASEAN has indeed been longstanding. In April 1988, Vietnamese Foreign Minister [title as published] Tran Quang Co expressed Hanoi's readiness to sign nonaggression treaties with the Philippines and other Southeast Asian countries. More concretely, Communist Party General Secretary Nguyen Van Linh expressed his country's desire to join ASEAN during a visit to Vietnam by Philippine Foreign Secretary Raul Manglapus in November 1988. Since then, Vietnamese officials have made similar statements on various occasions.

Vietnam has taken various steps to prove its seriousness. Most importantly, Vietnam (along with Laos) recognized the *Treaty of Amity and Cooperation* [TAC] in July 1992. Vietnam was accorded *observer* status in ASEAN when it signed the TAC, known as the Bali Treaty.

As an observer, Vietnam was able to attend certain ASEAN meetings. Based on recommendations by ASEAN's functional committees, the 27th ASEAN Standing Committee agreed at its first meeting in Bangkok in November 1993 to allow Vietnam to attend meetings of the COST [Committee on Science and Technology], COCI [Committee on Culture and Information], COSD [Committee on Social Development], ASUD [expansion unknown], and ACCS [expansion unknown]. The standing committee also allowed Vietnam (and Laos) to participate in certain joint projects on a case-by-case basis and at its own expense. As an observer, Vietnam was also allowed to attend open proceedings at the AMM, including the opening and closing ceremonies. The country attended the ASEAN ministerial meetings as an observer in 1993 and 1994. Vietnam has also been invited to participate in the ARF [ASEAN Regional Forum], which groups the ASEAN members, dialogue partners, consultative partners, and observers.

ASEAN seems to be adopting an *incremental approach* in "processing" Vietnam's membership. In other words, the country's accession into ASEAN is gradual; from guest and observer to member. The approach seems to be aimed at familiarizing Vietnam with ASEAN, thus making it easier for Vietnam to study ASEAN's structure, mechanism, and activities.

Vietnam must accede to the *ASEAN Declaration on ZOPFAN* [Zone of Peace, Freedom, and Neutrality], *Treaty of Amity and Cooperation*, *Declaration of ASEAN Concord*, the *Agreement on the Establishment of the ASEAN Secretariat* to become an ASEAN member. Simultaneously, Vietnam must endorse all other agreements in ASEAN such as the AFTA (ASEAN Free Trade Area) and CEPT (Common Effective Preferential Tariff). The country must also study the ASEAN Fund, the ASEAN Secretariat, and agreements with dialogue partners.

Although Vietnam's membership no longer faces significant political obstacles, nonpolitical obstacles are clearly visible. Take the AFTA and CEPT, for example! Its relatively low-level economy will certainly face difficulty plugging into the framework of the more developed ASEAN economies. There will be questions. On the one hand, how fast can Vietnam spur its economy to catch up with the other ASEAN members? On the

other, how long can the other ASEAN members allow a grace period as a transitional measure for Vietnam?

The bad domestic economic situation may also make it difficult for Vietnam to fulfill its financial obligation as a member, including its contribution to the regular operating budget of the ASEAN Secretariat. The ASEAN Secretariat's budget for FY 1994-95, for example, is \$4.44 million, or almost 90 billion rupiah. Annually, each member contributes almost \$750,000 to the ASEAN Secretariat and \$1 million to the ASEAN Fund. Each member must endorse the ASEAN Fund.

With its existing funds, ASEAN conducts over 200 meetings annually. Each member must participate in all activities; they are obliged to endorse the decisions of any meeting they fail to attend. The high frequency of these meetings will also pose a problem for Vietnam, which still faces financial problems and problems developing its human resources.

ASEAN itself has initiated a special training program for officials from Vietnam (and Laos) as a preparatory step, but it is uncertain how much the program will help. Welcoming Vietnam's admission as the seventh member, we can simply wait for the realization of the statement by Vietnamese Deputy Foreign Minister Vu Khoan, "Vietnam is a latecomer. But, I think it can adjust to the ASEAN spirit."

Editorials Consider CGI Loan Pledges

BK2107134195

[FBIS Editorial Report] Three Indonesian-language newspapers — Jakarta SUARA PEMBARUAN on 20 July, Jakarta KOMPAS on 21 July and Jakarta SUARA KARYA on 21 July — publish editorials on the pledged aid from the Consultative Group for Indonesia, CGI, which met in Paris 18-19 July.

SUARA PEMBARUAN's 700-word editorial on page 2 is headlined "CGI Loan Commitment Increases 3 Percent". It notes that the CGI meeting announced a grant of US\$5.36 billion for the 1995/1996 fiscal year. This is 3 percent above last year's \$5.202 billion.

The editorial says: "Apart from making recommendations and suggestions for economic growth, the CGI leaders have also reminded of the challenges ahead. Several political assessment reports on things like Indonesia's human rights practices in East Timor are read out before the meeting. There are more positive connotation heard this year."

The editorial welcomes U.S. delegate M. Carpenter's praise of Indonesia's handling of the two military officials involved in the Liguica case and notes his

recommendations on macroeconomic development and how to manage foreign loans wisely.

The editorial also says: "The World Bank has suggested that Indonesia continue its policy on limiting commercial loans by listening to the special team and ensuring that the loans are utilized only for productive projects."

The editorial notes Japan is the largest single creditor, committing a loan of US\$2.14 billion with interest reduced to 2.4 percent from the 2.6 percent of last year.

Concluding, the editorial says: "We must realize that foreign credit is a debt burden that we have to be responsible for. For every new loan issued to Indonesia, the debt burden becomes heavier. The foreign debt has reached \$6.4 billion with the additional credit granted during the CGI meeting. This includes the exports credit, commercial credit, and the old standing credit obtained in 1996."

In a 900-word editorial on page 4 headlined "We Contribute CGI Economic Aid to Development", KOMPAS says the CGI meeting has placed Indonesia within the group of lower middle-income nations. These nations have an average per capita income of US\$838 — a long journey that began 25 years ago from \$150 and \$200 to about \$850 now.

Continuing, KOMPAS says: "The next journey is going to be much longer, but there are signs that the process can be expedited. This is the significance of the CGI aid; Indonesia has been considered successful in economic development due to its objective criteria. Not that success was achieved yesterday, but it has been successful in laying a foundation for more successful development program in the future." KOMPAS notes Indonesian weakness in matters related to economic disparity, inefficiency, monopoly, and a high-cost economy that were discussed at the CGI meeting.

KOMPAS says: "Unlike several countries, such as Egypt or the Philippines, Indonesia has never been dictated to by the World Bank or any other group on how to formulate and implement its economic policy. This is because we have determined correctly what we want for ourselves. When dealing with noneconomic issues such as human rights, environmental protection, and openness, we stand on our terms [three preceding words in English] and rely on our own judgment."

KOMPAS adds: "Several studies have shown that the standard of living of Indonesians has improved, but economic disparity exists and is increasing".

KOMPAS describes two dimensions of economic development — growth and equal distribution of wealth. It says that in the initial stage, economic growth is accom-

panied by disparity. Once the first stage is over, growth is accompanied by a more equal distribution of wealth.

KOMPAS says: "Indonesia is facing complex challenges. It has a large population, a vast territory, a complicated situation, and a community that is not homogeneous. In other words, a long time is required for economic growth and many challenges will have to be faced before we achieve an equal distribution of wealth."

Concluding, KOMPAS says: "We welcome the outcome of the CGI meeting in Paris. We are aware of our own responsibility and we will prepare to tidy up our house."

SUARA KARYA publishes a 600-word editorial on page 5 headlined "The Outcome of the CGI Meeting." The editorial says one interesting thing worth noting about the outcome of this year's meeting is that it did not turn out to be a platform for accusations, as expected.

The editorial says: "Another interesting thing worth noting is the inclusion of Indonesia among the lower middle-income nations, thus making some donor countries decrease the amount of their aid from the initial amount pledged."

The editorial notes "Japan remains the biggest creditor. Japan's credit commitment increases from US\$1.67 billion in 1994 to \$2.14 in 1995, or about 28.1 percent."

SUARA KARYA concludes: "The CGI meeting reflects a positive assessment of Indonesian development, especially in the utilization of aid and foreign loans. This credibility will in turn lead to a demand for improvement in the management of development."

Suharto Urges Expansion of Shipbuilding Industry

BK2007130395 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 20 Jul 95

[FBIS Translated Text] One of the challenges facing Indonesia in boosting its sea transportation is the slow increase in ships compared to demand. If this trend continues, the country may face a sea transportation crisis that will in turn affect national development programs.

President Suharto made these remarks while commissioning a new shipyard for 50,000-tonne commercial ships, a hydrodynamics laboratory, and the passenger ship Palindo Jaya at the Navy Industries Co. Ltd. in Surabaya this morning. The president said the best way to cope with the heavy challenge is to build a maritime industry capable of producing and maintaining the country's sea transportation armada. In this connection, the head of state expressed his satisfaction that the Navy Industries Co. Ltd. had built the passenger ship Palindo

Jaya. This means that Indonesia no longer needs to import passenger and cargo ships. The growth of the maritime industry will help promote other industries, which will in turn create new job opportunities.

Thailand

'Source': 2 Cabinet Members Blacklisted by U.S.

BK2407124895 Bangkok KRUNGTHAP THURAKIT
in Thai 24 Jul 95 pp 20, 19

[FBIS Translated Text] A highly placed source at the Office of the Narcotics Control Board [ONCB] disclosed on 23 July that there are at least two politicians appointed to the cabinet of Prime Minister Banhan Sinlapa-acha who are blacklisted by the U.S. Drug Enforcement Administration and denied entry visas into the United States because of their association with an international drug trafficking ring.

According to the source, one of them is an MP [member of parliament] from central Thailand, who, together with his relatives, invested in hotel, tourism, and casino businesses in the north. Another MP is suspected of involvement in smuggling of marijuana cultivated in the northern Thai border and lower area of Burma where the Karens were being used as laborers.

The source says, "Smuggling of marijuana abroad was accomplished by transportation on cargo ships from the Andaman coast to high seas within a short time. Officials had difficulty intercepting the marijuana shipments because of the long coastline. It was also difficult for officials to crack down on production sources because of difficult access."

Meanwhile, it was confirmed by a high-level official at the Foreign Ministry that several members in this cabinet were suspected of drug involvement. Those people could be singled out as well as their political advisers and secretaries.

"They belong to drug gangs and they work as teams. They are being watched by foreign countries which are closely monitoring their movements, especially their visits to any particular country," the source says.

The same source notes that those cabinet ministers in question do not want to make trips abroad because they fear that their secrets will be in the open once they are denied entry visas into the countries where they are blacklisted. But they will use their influence as cabinet ministers and carry out their missions through close aides. Certain MPs of parties of the present government already faced problems in the past when they made trips abroad and were suspected of involvement in narcotics trafficking.

The source says, "The Foreign Ministry has received many reports about politicians' involvement in drug trading, but could not implicate them because there was not sufficient evidence against them. The countries where their accomplices were arrested sent reports to the Foreign Ministry to be forwarded to the ONCB. They wanted us to monitor the movements of those persons. They were also concerned that Thailand's narcotics suppression agency might lose financial support from the United States if those people on the blacklists were appointed cabinet ministers."

The National Intelligence Agency has reported that checks had been made on the backgrounds of certain ministers in the Banhan cabinet who were suspected of involvement in drug trading.

Commenting on the drug charges against Thai MPs, Foreign Minister M.R. Kasemsamson Kasemsi said he was confident that U.S.-Thai relations would remain smooth and that both countries could always discuss their problems. He noted that there is another aspect of the problem, that is, basic human rights under which everyone is entitled to defend himself against charges.

Asked about the latest data concerning two cabinet ministers being blacklisted, San Phadungphat, an ONCB official, said he knew nothing about it. He said the ONCB secretary general, and not others, is the only person allowed to have an access to such information from the Foreign Ministry, if there was any. The ONCB secretary general is in Chiang Mai on an official tour.

According to a report from the Chat Thai Party, during the forthcoming 25 July cabinet session, Prime Minister Banhan will raise for discussion the appointment of a team to probe into the U.S. drug charges against Thai politicians. According to Banhan's plan, the team's first duty would be to investigate the charges against Chat Thai Deputy Leader Wathana Atsawahem. The team would seek information from the Foreign Ministry about the U.S. accusation as well as make direct contact with the United States for information.

"If the United States refused to give information on the charges or if there was no evidence produced against the politician within 30 days, the politician would be declared innocent," the source says.

Chinese Dailies Comment on Banhan Government

BK2207163195

[FBIS Editorial Report] Two Bangkok Chinese-language dailies, XING XIAN RIBAO and ZHONG HUA RIBAO respectively, on 21 July carry editorials commenting on the new cabinet headed by Prime Minister Banhan Sinlapa-acha.

XING XIAN RIBAO's 550-word editorial on page 2, entitled "Has the Banhan Coalition Government Not Fallen Short of the People's Expectations?" says that "the people see Banhan Sinlapa-acha, the new prime minister and Chat Thai Party leader, as a fast worker. After the general election on 2 July, he called a meeting of six parties at midnight to discuss the formation of a new government. Later on, he brought in the Nam Thai Party to form his seven-party coalition. The formation of the cabinet should have been completed sooner since he is so efficient; however, things went against his wishes. There was concern over the possible impact on Thai-U.S. relations if some individuals in the Chat Thai Party were given cabinet posts, and there was also a struggle within the party over the control of the Interior Ministry. Conflicts were also reported between other coalition parties, such as the New Aspiration Party and the Nam Thai Party, over the allocation of cabinet posts." All these problems delayed the announcement of the new cabinet list until 18 July. This affected Banhan's image of being a fast worker. Severe internal conflicts within the seven coalition parties have caused people to worry about the life span of the new government.

The paper then goes on questioning the appointments to ministerial posts, particularly the ministers in charge of economic affairs. After commenting about the suitability of the industry, communications, and commerce ministers, the paper says that "the appointment of Surakiat Sathianthai, an expert on international law, as the finance minister was unexpected. The Finance Ministry is crucial for the national economy and people expected a financial expert for the post. However, the result was unexpected." Moreover, Newin Chitchop, who was involved in a dam project bidding controversy, was appointed as deputy finance minister. The mass media have used the word "shock" to describe the unsuitability of the new cabinet. The drop in the stock market shows the unacceptability of the new government to the financial circles. Since the previous government laid down a solid groundwork for the fiscal and finance circles, and with the ability of the officials of the Finance Ministry and the Bank of Thailand, the country's economy should not be severely affected, no matter who takes up the post of finance minister. However, in the era of globalization, if there are rapid changes in the finance or foreign exchange market, how can an inexperienced finance minister react to such a situation?

In conclusion, the paper says: "Why were several well-known financial experts not invited to the cabinet? Only Banhan himself can answer this question. On account of such unanswered questions, the issue of 'whether or not the Banhan government has fallen short of the public's expectations' has become a pressing one."

ZHONG HUA RIBAO's 600-word editorial on page 1, entitled "We Should Give the Banhan Government Time and Opportunity," says that Banhan Sinlapa-acha yesterday led the ministers of his seven-party coalition to take the oath before His Majesty the King. His Government can start to work after it presents its policy statement to parliament. The Thai stock market dropped heavily for two days following the announcement of the new cabinet list. In fact, the drop in the stock market was caused by several factors. Stock markets in Asia and other countries also suffered a drop on those days. "The prospects for the Banhan government have drawn a lot of comment in industrial and commercial circles. Many critics have voiced their concern over the future of the government. Some even think that the government will not last more than six months."

The paper says that the 7-party coalition controls 233 seats in the 391-member House of Representatives. Judged by the number of House seats, the Banhan government is very stable. However, a majority of votes in the House does not guarantee the survival of the government. There are a lot of examples of governments being defeated with majority support in democratic countries. The government will be in a shaky position if the coalition parties are disunited and fail to win public trust. There are conflicts within the coalition parties over the allocation of ministerial posts. Although Banhan has exercised his political acumen in preventing these problems from escalating, the undercurrent of conflict is still there. Conflicts can shake the government at any time. The fate of the Banhan government depends on the unity and performance of the coalition parties, not the voting majority in the House.

In conclusion, the paper says that "regardless of whether we are optimistic or pessimistic, we are not in a position to make a judgment on the future of the new government at this time. The people should give the government support and encouragement so that it will have time and opportunity to show its ability to solve the country's problems. It is not right to give the government a cool reception and make attacks on it."

Surakiat To Continue Financial Liberalization

BK2307142195 Bangkok THAILAND TIMES
in English 23 Jul 95 p A1

[FBIS Transcribed Text] Bangkok — Finance Minister Surakiat Sathianthai yesterday vowed to continue the previous government's good policies especially its financial liberalization policy.

Surakiat said this task must be carried on because it is an international obligation which other nations would continue to promote.

However, Surakiat saw a two-edged problem that may arise from this duty. First, he asked, "What benefit will we get?" He said aside from the political sector, other sectors such as the managerial sector, construction enterprises and other investments will have to enter into domestic and international competition. "Will they succeed?" Surakiat asked.

Furthermore, one liberalization in the General Agreement on Tariffs and Trade (GATT) will affect many things.

Second, Surakiat said, "We have to think about what bargains we can get in doing so." He said Thailand is bringing this matter of financial liberalization to the upcoming APEC (Asia-Pacific Economic Cooperation) conference to be held this November in Japan.

Surakiat further said that at the conference Thailand has to negotiate with some 18 economic superpowers in order to get advantageous positions.

He said he is not concerned about anything for now, except for a correct attitude which he hopes to foster among the general public including the attitude that the surging and plunging of stocks are the normal functions of the market.

The Finance Ministry, the Security and Exchange Commission, and the government are authorized to intervene only in illegal matters, Surakiat said. If there is none, all other matters are left to the natural forces of the market.

He said constructive criticism is good for development and that honesty, sincerity, and transparency, are his policies.

Surakiat said the duty assignments of his deputies will not cause any setback because he will hold advance talks, particularly with the permanent secretary. He and his deputies will go to the ministry tomorrow morning.

Asked if he would have any trouble controlling his deputies he said there should be no difficulties as they work as a team, and besides, he has asked them to follow the principles of honesty and sincerity.

Surakiat said now is the time for him to prove himself to the public. "I'm a person in a position subject to public scrutiny," he said. "Just give me a chance. I don't need any time because I will start work right away," Surakiat added.

As Finance Minister, he will supervise the Fiscal Policy Office. He said his office will emphasize the development of society, especially in the provinces.

Surakiat To Focus on Trade Negotiations

*BK2407063995 Bangkok THE NATION in English
24 Jul 95 p 1*

[FBIS Transcribed Text] New Finance Minister Surakiat Sathianthai said yesterday he will give the central bank governor considerable independence in handling monetary policy, while he will instead focus on world trade negotiations.

He also said he would seek to amend draft legislation proposed by his predecessor for a loan programme for needy students.

Surakiat said he would give Bank of Thailand Governor Wichit Suphinit a free hand on monetary policy, including inflation control, liquidity management, interest rates and current account control measures.

"I will place stress on monetary discipline, which is the essence of managing the Finance Ministry," Surakiat said, adding that he would spend some of the country's reserves on solving Bangkok's traffic problems.

The new finance minister said he would take an aggressive stand in international trade negotiations, which in past governments had been handled by the commerce and foreign affairs ministries.

"I will ask for cooperation from the commerce and foreign affairs ministries. In the past, the Finance Ministry had only a passive role in international trade talks," Surakiat said.

International trade talks have been regarded as Surakiat's forte — but a weak point of his predecessor, Tharin Nimmanhemin of the Democrat Party. On the other hand, monetary management is Surakiat's weak point, but Tarrin's strength.

Leaving monetary management to the central bank governor means Surakiat's critics will have difficulty comparing his accomplishments in office with Tharin's, analysts said.

Surakiat said yesterday he would seek to amend the Democrat-initiated loan programme for needy students to benefit vocational students, instead of university students as proposed by his predecessor, Tharin.

Tharin expressed concern recently that the new Chat Thai-led government may drop the Chuan administration's Bt17 billion student loan scheme.

Tharin's advisers spent a year preparing the draft legislation, but the House was dissolved before it could be put before Parliament.

Article Views Impact of New Finance Minister

BK2407074195 Bangkok THE NATION in English
24 Jul 95 p A4

[FBIS Transcribed Text] The announcement of Newin Chitchop as deputy finance minister and Surakiat Sathianthai as finance minister was greeted with almost unprecedented shock and disappointment because they are viewed as having little previous experience in the management of fiscal and monetary policies.

Criticism became so intense that Aran Thammano, permanent secretary of the Finance Ministry remarked, "I have been with the finance ministry since 1954, and I am worried that the criticism against the new ministers has gone too far. I would like to assure every party involved that the ministers and the officials at the ministry will cooperate for the public's maximum benefit."

He said that the finance ministry will continue to strictly adhere to a conservative fiscal policy, despite fears that the new government would spend an excessive amount of money.

Although Surakiat has no experience in the banking and financial fields, he is an expert in international trade law. And that will likely be the strength of the new minister, especially at a time when the finance ministry is having to play a more active role in international trade talks such as: the tariff reduction under the Uruguay Round, the implementation of the ASEAN Free Trade Area (AFTA) and mapping out future cooperation under the Asia Pacific Economic Cooperation (APEC) forum.

Surakiat has extensive experience in international trade negotiations. At the negotiating table, Surakiat might even perform better than former Finance Minister Tharin Nimmanhemrin.

Moreover, Surakiat, as chairman of the committee to amend the Alien Business Act, had been involved with the process of the General Agreement on Trade in Services (GATS).

Surakiat should be able to properly handle the Asia Pacific Economic Cooperation (APEC) finance ministerial meeting, a forum which is gaining increasing attention.

On the fiscal and monetary fronts, Surakiat should not find it hard to continue the policies laid down during the Chuan administration. With the financial master plan already in place, Surakiat need not come up with any new policies or create initiatives. Officials at the finance ministry hope that if Surakiat follows the Tharin-initiated plan, everything will run smoothly in the future.

Nonetheless, Surakiat should be prepared to handle any immediate issues that may arise such as another currency crisis or stock speculation, which will require the kind of decisive action that Tharin took in the cases of the First City Investment affair and the Mexican peso crisis.

These complicated issues cannot be left up to ministry officials or civil servants.

However, the most worrisome issue is the budget where Surakiat has no previous experience. While they may be versed on international trade, many of the Chat Thai Party advisers, who will assist Surakiat, do not know much about fiscal policy.

Banhan was deeply involved in the country's budget when he was an MP. As such, Surakiat, who is Banhan's most trusted aide, should make way for him to exercise control over the finance ministry.

The budget is at the heart of the government's management of the country. Fail or succeed, the budget will be one of the truest indicators of the government's performance. Certainly, the size of the budget set by Tharin is likely to change. The change will include an allotment of Bt15 billion for the construction of a nation-wide six-lane highway.

Banhan's priority in allocating funds for the construction of the highway project is due to political necessity, rather than social and economic development.

Abuse of financial discipline is more likely to come from Deputy Finance Ministers Newin Chitchop and Praphat Phothesuthon, who should better than Surakiat in dealing with allocating budget to the provinces where the Chat Thai Party's presence is strong.

Commentators, ranging from senior officials to reporters are skeptical to both Newin and Praphat, who are seen as having weak professional qualifications and poor records.

Meanwhile, management of personnel at the Finance Ministry is on the verge of change as a result of the annual reshuffle coming October. M.R. Chatu Monkhor Sonakun, director general of the Revenue Department is unlikely to be appointed as permanent secretary because of the role he played in investigating the tax records of several leading members of the Chat Thai-led coalition in recent years.

As such, Suphachai Phisitwanit, director-general of the Customs Department may stand a good chance of becoming the next permanent secretary at the Finance Ministry.

However, the decision is in the hands of Surakiat. He has to exercise his own freedom and principles to decide who should be the permanent secretary. If he picks M.R. Chatu Monkoon, he would surely be doing so against the wishes of the Chat Thai Party. So Surakiat may run the ministry better if he chooses Suphachai.

Under the Chuan administration, the Finance Ministry played a crucial role in the country's economic development. Former finance minister Tharin was not only a superb banker, but also an excellent manager.

Bank Governor Reaffirms Economic Stability

BK2307132495 Bangkok Radio Thailand Network
in English 0000 GMT 23 Jul 95

[FBIS Transcribed Text] Governor of the Bank of Thailand Wichit Suphinit reaffirms that Thailand's economic and fiscal position enjoys considerable stability despite the changes in the government. Mr. Wichit says the panic among investors in the transitional period of the administration will gradually dissipate. He says he is confident in the ability of new Finance Minister Surakiat Sathianthai, especially his expertise in international negotiations.

Mr. Wichit says the Thai economy during the first six months of this year expanded at a satisfactory rate. During the period, Thai exports grew by 24 percent, resulting in higher domestic expenditure. In general, commercial bank deposit rate rose by 19 percent. The inflation rate from April to June rose from 4.8 to 5.4 percent over the first three months of this year.

The central bank governor predicts that the public and private investment throughout this year would increase from 10 to 12 percent.

Current Account Deficit Figures Reported

BK2407063495 Bangkok BUSINESS DAY in English
24 Jul 95 p 1

[FBIS Transcribed Text] The Governor of the Bank of Thailand (BOT), Wichit Suphinit, said the current account deficit this year is expected to be around 350 billion baht, or 6 percent of the gross domestic product (GDP).

This compares to last year's deficit figure of 250 billion baht, or 5.9 percent of GDP.

In an attempt to minimize the effects on economic stability and the balance of the service account, the central bank and the Finance Ministry would focus on capital inflows in the form of overseas-sourced loans, which Mr. Wichit said created a substantial burden through interest repayments.

He said controlling capital inflows would help keep the interest burden down.

The BOT governor added that outstanding foreign loans presently totalled 1,000 billion baht, two-thirds of which were obtained by the private sector.

Mr. Wichit said the current account deficit situation in the second half of this year should be less severe as exchange rates were expected to be more stable.

"The BOT target for the current account deficit for this year has been adjusted from 5.9 to 6.3 percent of GDP. However, with improvement in foreign exchange stability, the relatively stable prices of non-oil imports and oil, the deficit could be lower," said Mr. Wichit.

He added that in tackling the current account deficit, the BOT and the Finance Ministry would have to conduct intensive studies into the tourism and freight factors which constitute major proportions of the balance.

Chat Thai 'Powerbroker' Suchat Profiled

BK2407100095 Bangkok BANGKOK POST
in English 24 Jul 95 p 4

[From the "Newsmaker" column by Somchai Misaen: "Youthful Politician Emerges as Chat Thai Powerbroker"]

[FBIS Transcribed Text] Suchat Tancharoen, the five-time MP [member of parliament] for Chachoengsao, has been appointed to the much envied post of deputy interior minister at the prime of his life.

Although the job description suggests he is a deputy to the interior minister, many people feel if not for his relative youth and strong opposition to Chat Thai Party secretary general Sano Thianthong, Mr. Suchat would have been made head of the powerful Interior Ministry.

The tale of how he became a prominent figure in the Chat Thai Party with so much negotiating power is an interesting one and not without its trials.

Mr. Suchat, 37, stepped into the political limelight for the first time in 1986 following his election as a Democrat MP. The Master's degree graduate in business administration from a United States university was then only 28 years old.

He says he decided to join politics at the invitation of the "black pearl", the nickname of former Damrong Thai Party leader Wira Musikaphong, who was at that time the Democrat secretary general.

"I entered politics because my family had contributed a great deal socially to the Chachoengsao people and had supported many politicians including those in the

province. So it was not surprising that an heir to a family like mine would elect a political career," said the deputy minister.

Born to a wealthy family with an estimated value amounting to billions of baht, Mr. Suchat has received overwhelming political support from many veteran as well as young politicians.

Political assistance in the past was given to him mainly to protect the interests of his family's logging activities, but the sort of assistance he receives nowadays is intended to bolster his bargaining power within the party. Mr. Suchat is reported to have many fellow Chat Thai MPs in his "camp".

Most residents of Chachoengsao are familiar with Mr. Suchat's father, Wichian, known locally as "Long Chu Wichian". The Chinese term "Long Chu" is used to describe a rich and successful businessman.

As well as its lucrative logging concerns, Mr. Suchat says his family owns sawmills and companies involved in furniture manufacture and real estate development. The family ceased its logging activities in Thailand following the enactment in 1988 of a nationwide logging ban by the Gen. [General] Chatchai Chunhawan government.

The family then turned to logging in Burma and Cambodia, and it has been the enormous profits from logging that has helped secure the family's financial status, he says.

After Burma suspended all logging concessions, the family was forced once again to explore investment possibilities elsewhere. This time they won logging concessions in the African states of Cameroon and Gabon.

"I have no direct involvement in the (logging) business at all. It is the family that runs it," said Mr. Suchat.

"I jumped straight into politics right after my graduation, but I have helped with the business whenever I had time from political duties or when there was a coup d'etat."

The Chachoengsao MP is said to have close ties with PTP [Phalang Tham Party] leader Thaksin Chinnawat and Nam Thai Party leader Amnuai Wirawan, leading to rumours he is looking to join them in setting up an entirely new party.

It was Gen. Chatchai, at that time a Chat Thai executive member, who convinced Mr. Suchat to join his party.

But following the 1991 coup d'etat which toppled Gen. Chatchai's government, Mr. Suchat left Chat Thai to co-found what was then the Samakkhi Tham Party led by former Phrae MP Narong Wongwan. His appointment

as the party's spokesman did a lot to raise his profile within political circles.

He became better known among the public for his role in defending Mr. Narong against the narcotics trafficking allegations. This was a particularly crucial period for Mr. Narong as he was being nominated for the premiership.

Although the Samakkhi Tham leader failed to be appointed prime minister, Mr. Suchat was given the post of deputy interior minister in the short-lived Gen. Suchinda Khraprayun administration as a "reward" for his efforts as party spokesman. The government was overthrown by the May 1992 popular uprising after remaining in office only 47 days.

Following the Black May events and the dissolution of the Samakkhi Tham Party, Mr. Suchat and a number of his fellow MPs helped Gen. Chatchai form the Chat Phatthana Party, separating from Mr. Narong and fellow Samakkhi Tham MPs who joined Chat Thai under what is now known as the Thoet Thai faction.

Mr. Suchat played an active part in consolidating young Opposition politicians in forming the well known Group 16. The group comprises mostly former Samakkhi Tham MPs including Newin Chitchop, Phairot Suwannachawi, Chamlong Khrukhunthot, Warathep Rattanakon and Thani Yisan.

Former labour and social welfare minister, Chat Phatthana MP for Chiang Mai Somphong Amonwiwat, was selected to head the group. But, according to many political observers, it was Mr. Suchat who wielded influence over the group's administration.

The group claims to have uncovered the wrongdoings involved in the Sor Por Kor land reform scandal and in the stock manipulation case. These, the group says, are among its most "distinctive" achievements.

The group disintegrated after Chat Phatthana broke ranks with its fellow Opposition parties by joining the Chuan Likhai government last year.

Mr. Suchat was disappointed not to be given a ministerial portfolio in the government and, together with other group members, was reportedly behind the move to destabilise the Chuan government. Mr. Chuan has conceded Mr. Suchat was one of the prominent politicians who "shook" the stability of his government.

Mr. Suchat and his team brought down the Government after they helping Opposition members provide the Palang Tham Party [PTP] with information on the controversial land reform issue.

The PTP then threatened to withdraw from the government if not given a clear explanation on the land reform wrangle, and it was the party's putting that threat into effect which eventually led directly to the dissolution of the government.

Mr. Suchat has emerged as an important figure in the Chat Thai Party since the dissolution through his ability to attract the membership of more than 10 MPs for the last election. He has now reunited with many of his old pals from the Thoet Thai faction, the largest in Chat Thai.

And with Mr. Narong failing to be re-elected, the authority in running the Thoet Thai camp has fallen to Mr. Suchat.

Mr. Suchat says the reason he rejoined Chat Thai was because the parties he had worked for in the past were reluctant to give him the opportunity to administer national affairs. Chat Thai kept its promise in granting him a Cabinet role.

It was felt like home at Chat Thai, he said.

Mr. Suchat has been given the role of acting interior minister as Banhan Sinlapa-acha will find it difficult to juggle his duties as both prime minister and interior minister, and the former will naturally take precedence.

He says the position of interior minister actually belongs to the Thoet Thai faction's quota and negotiations are under way within the party to settle differences over who should be given the post.

According to Mr. Suchat, some party members opposed his appointment as deputy interior minister on the grounds he is too young.

"But it was agreed in 1992 that if Khun Banhan became prime minister, then the other key ministerial posts of interior minister or finance minister would have to be part of the Thoet Thai's quota. The party must comply strictly with the conditions of that agreement," he said.

Thoet Thai has not committed itself to staying with Chat Thai, said Mr. Suchat, but added that the possibility of the group joining another party or forming its own party had not been discussed among the group members.

He maintained that the group's policy was to work for the benefit of the nation and not bargain for Cabinet posts as many people claim.

But Mr. Suchat admitted the move by the group to remind Mr. Banhan of the 1992 "gentlemen's agreement" had created the impression among the public that group members were trying to lobby the party for key Cabinet positions.

The Chachoengsao MP is said to have close ties with PDP leader Thaksin Chinnawat and Nam Thai Party leader Amnuai Wiravan, leading to rumours he is looking to join them in setting up an entirely new party.

Many political observers are keeping a close watch on Mr. Suchat now Thoet Thai has become a power clique within the Government and may exert its influence by keeping Mr. Banhan under its thumb.

The question this begs is whether this power could spell danger for the Banhan Government in the future.

Breakup of Thoet Thai Faction Detailed

BK2007064695 Bangkok *THE NATION* in English
20 Jul 95 pp A1, A3

[FBIS Transcribed Text] The Thoet Thai faction in the Chat Thai Party has broken up following a rift over the allocation of ministerial posts, an informed source said yesterday.

A group of MPs [members of parliament] in the Thoet Thai faction, led by PM's [Prime Minister's] Office Minister Ruangwit Lik, had defected to Chat Thai secretary-general Sano Thianthong's faction, the source said.

Sano's faction now had about 40 MPs in the 92-MP Chat Thai. The defectors included Chamnong Phothisaro (Si Sa Ket) and Waratph Rattanakon (Kamphaeng Phet), the source said.

Chamnong and Waratph were not appointed to the Banhan Cabinet.

The source said the group was not satisfied with Prime Minister Banhan Sinlapa-acha, who gave important portfolios to Thoet Thai members who were members of Group 16 and who defected from other parties before the July 2 general election.

Members of Group 16 who received key Cabinet posts included Deputy Interior Minister Suchat Tancharoen and Deputy Commerce Minister Phairot Suwannachawi, both defectors from the Chat Phatthana Party.

The source said the group which defected to Sano's faction, in particular Ruangwit, was dissatisfied with Thoet Thai leader Narong Wongwan, who has demanded the Interior post.

Banhan, the Chat Thai leader, had promised before the elections that he would give Thoet Thai two ministerial posts, including the Interior. When Narong failed to be elected, the powerful post of Interior minister should have gone to Ruangwit, Thoet Thai's most senior member after Narong, the source said.

However, Banhan had concurrently taken the Interior portfolio and promised the post to Narong if he clears up U.S. drug allegations against him.

The source said if Ruangwit did not become Interior minister, then the portfolio should be given to Sano, who is now minister of Public Health, not a powerful position.

"But instead Banhan says the post will be given to Narong," the source said.

Sano's faction is also dissatisfied with Banhan, who had promised Sano the Interior post. Pressed by the Thoet Thai, Banhan said he would give the post to Narong in a few months.

The source said Narong should not take any Cabinet post because he failed in the polls. However, Narong had successfully pushed his son Anuson, a non-MP, into the post of deputy Industry minister.

"This is not fair because Anuson did not stand in the July 2 general election. In fact, it was Ruangwit who named Anuson. But he did so just as a matter of protocol. He did not think that Anuson would accept a ministerial post," the source said.

Ruangwit was dissatisfied that he received the low-key post of PM's Office minister, while Suchat received the deputy Interior portfolio, the source said.

"Ruangwit and his associates now back Sano to become Interior minister," the source said.

The source said that in the past few days, Narong had tried to contact Ruangwit to clear up a "misunderstanding", but Ruangwit refused to talk with him.

"He is still very angry with Narong," the source said.

Chat Thai yesterday held a meeting at the Thoet Thai headquarters. Although Ruangwit was there, he did not attend the meeting, saying he was sick.

Suraphan Chinnawat, a Chiang Mai MP in Sano's faction, said Banhan should have nominated more suitable people to the Cabinet. He wondered why Thoet Thai members received important Cabinet posts and insisted that Sano should become Interior minister.

"Our group has been in the party for some 20 years. We believe problems will follow. The party secretary-general should be named Interior minister because of his seniority and capability," he said.

Vietnam

Civilian Casualties From War-Era Ordnance Noted

BK2307161295 Hanoi VNA in English
1409 GMT 23 Jul 95

["After 20 Years of War, Vietnam Still Faces Unexploded Ordnance Casualties" — VNA headline]

[FBIS Transcribed Text] Hanoi VNA July 23 — During the war, the United States and its Saigon regime rained about 15 million tons of bombs, mines and other kinds of explosives on every part of Vietnam.

After the liberation of South Vietnam in 1975, there remained about 300,000 tons of unexploded ordnance which caused 11,000 deaths and 20,000 injuries in the southern part of the country in the 1975-77 period alone. This means that about 50 persons were killed or wounded every day (or 1,500 people per month) during that time.

The number was twice as high as the combined figure for 62 other countries that were listed as having large quantities of unexploded bombs, mines and other ordnance during the same period of time.

Since the end of the war Vietnam has defused and deactivated more than 12,228,000 bombs and mines. On the other hand, during their life of peace and national re-construction after the war, many innocent people have fallen victim to these sophisticated weapons and ammunition that are left over from the prolonged war.

Although twenty years have passed, on average there has been at least one person killed or wounded by unexploded ordnance, each day across the country.

The following are a few of the thousands of tragic cases that have occurred over the past two years (1993-1995):

On March 22, 1993, Nguyen The Nghia, a fifth grader from Vinh Linh, in the central province of Quang Tri, dug up a shell while gardening. The shell exploded, and his right eye was blinded, his left eye was damaged, his right leg was amputated and his body was seriously burnt.

On May 31, 1993, four children from 9-11 years old in Tam Nong District, in the southern province of Dong Thap, picked up a mine. The mine exploded, injuring these four children.

In the northern border township of Lao Cai near the Chinese border in 1993, there have been nine cases of mine explosions, killing 12 people and injuring 12 others.

According to a document released at a recent international seminar on mine clearance in Cambodia, the cost to defuse and de-activate a USD 3 mine is USD 1,000 or about 333 times its cost.

In Vietnam, mine defusion and deactivation not only costs money but also means the loss of lives. In Quang Tri Province alone, up to 1993, 3,200 people were killed.

In mid-March of 1995, in a rice field of Ngo Cuong village of Tu Hiep commune in Thanh Tri District on the outskirts of Hanoi, farmers discovered a number of bombs lying in a deep hole over an area of seven square metres while preparing a site for house construction. A team of bomb and mine specialists from the Army was sent to the site and on March 23 defused 112 devices and also discovered many fragments of a larger bombs in the hole.

It was reported that the 112 devices were half of a large bomb labelled as a MK 20, Model 12, which was dropped by the Americans during air attacks against northern Vietnam during the war.

In addition to destruction and defoliation caused by the orange agent toxin sprayed by the US that affected two million people and deformed 50,000 children, the devastation and scars by bombs, mines, and other kinds of explosives left behind after the war is just as serious.

Radio Reviews Relations With Singapore

BK2207154195 Hanoi Voice of Vietnam in English
1000 GMT 21 Jul 95

[FBIS Transcribed Excerpt] [Passage on economic features of Singapore omitted] Vietnam wants to learn experience from Singapore in national construction and development. Vietnam and Singapore established diplomatic relations in 1973, but it was not until 1991 when Singapore Government lifted the trade restriction with Vietnam that bilateral economic ties and cooperation developed rapidly.

Singapore is one of Vietnam's largest trading partners. Two-way trade turnover was \$1.4 billion, against over \$100 million in the 1980's. At present, Singapore has 96 invested projects in Vietnam with a total investment capital of \$1.2 billion, ranking first among ASEAN and fourth among 53 countries investing in Vietnam.

Diplomatic relations between Vietnam and Singapore have also been developing rapidly with visits to Singapore by Vietnamese party General Secretary Do Muoi and Prime Minister Vo Van Kiet. In his visit to Singapore last October, Vietnamese leader Do Muoi affirmed that Vietnam and Singapore had a firm foundation for further development of bilateral ties. People of both

countries have a high sense of national independence and self reliance, and cherish traditional characteristics of our nations while wanting to contribute to peace, stability, and development in the world.

By joining ASEAN, Vietnam will have more favorable conditions to achieve the goal of cooperation for development.

German Legislative Delegation Visits 18-21 Jul

BK2107152295 Hanoi VNA in English
1448 GMT 21 Jul 95

[FBIS Transcribed Text] Hanoi VNA July 21 — A delegation of the Cooperation and Development Commission of the German Bundestag (parliament) led by MP [member of parliament] Schluckebier visited Vietnam from July 18-21.

The German delegation was received yesterday by Mr Hong Ha, secretary of the Communist Party of Vietnam Central Committee and chairman of the Vietnam Parliamentary Organisation for Friendship With Other Countries.

While here the delegation had working sessions with officials of the Vietnamese National Assembly's Planning and Budget Commission, the Government's Office, and the Ministries of Foreign Affairs and Labour, Invalids and Social Affairs, and other relevant offices. Both sides exchanged views on issues of common concern, which would help boost the cooperation of mutual benefit between the two countries.

At a reception given by German Ambassador K.C. Kraemer before the delegation's departure, the two sides expressed their belief that the (?friendly) and cooperative relations between the two countries will surely develop as their wishes.

Germany To Repatriate 40,000 Vietnamese

BK2307153595 Hanoi Voice of Vietnam in English
1000 GMT 22 Jul 95

[FBIS Transcribed Text] Forty thousand Vietnamese who are now living in Germany will be repatriated in the coming five years under an agreement signed between Germany and Vietnam on Monday [17 July].

Germany will provide Vietnam with development aid worth \$70 million this year. A total of 20,000 Vietnamese will be repatriated by 1998 and the remaining number will return by the year 2000.

Cooperation Protocol Signed With Germany 21 Jul*BK2407071795 Hanoi VNA in English
0700 GMT 24 Jul 95*

[FBIS Transcribed Text] Hanoi VNA July 24 — Vietnam and Germany signed a protocol on bilateral cooperation and development for 1995 in Berlin on July 21.

Signatories to the protocol were Germany's state secretary of economic cooperation Mr. Wighard Haerdte [name as received] and Vietnam's deputy Foreign minister, Mr. Nguyen Dy Nien.

Under the protocol, German development aid to Vietnam this year will increase by 70 percent over that of 1993, as the German side has committed itself to fund a number of projects in the areas of railways, water supply, re-forestation, the protection of natural resources, hunger eradication and poverty alleviation, family planning, personnel training as well as further support to the process of economic and administration reform in Vietnam.

Guinean Trade Minister, Delegation Visit*BK2107150395 Hanoi VNA in English
1448 GMT 21 Jul 95*

[FBIS Transcribed Text] Hanoi VNA July 21 — An economic delegation of Guinea-Bissau's Government led by Trade Minister Zeca Martins has paid a visit to Vietnam since July 18 as guest of Trade Minister Le Van Triet.

While here, Minister Zeca Martins had working sessions with his Vietnamese counterpart Le Van Triet and Deputy Trade Minister Mai Van Dau. The two sides discussed measures to further strengthen and expand the economic and commercial relations between the two countries.

The delegation also met with Vietnamese businessmen to inquire into possibilities of conducting their business operation in Vietnam, and toured some consumer goods-producing establishments.

New Lighthouse in Spratly Islands Inaugurated*BK2207133895 Ho Chi Minh City THOI BAO KINH
IE SAIGON in Vietnamese 22-28 Jun 95 p 29*

[FBIS Translated Text] According to sources from the Vietnam Navigation Underwriting Company, the company recently held an inauguration ceremony for a lighthouse on An Bang [Amboina Cay] Island of the Truong Sa [Spratly Archipelago] island district, Khanh Hoa Province.

The An Bang Lighthouse is 24 meters high, has a light beam that travels up to 16 nautical miles, and is visible

from a distance of 15 nautical miles. The special feature of the light is a double white flash every 12 seconds; this is a third level light.

Located at a point 1,000 nautical miles from Haiphong and 365 nautical miles from Vung Tau, the An Bang Lighthouse will be of good service for ships frequenting this area.

Ministry Approves 84 Overseas Work Contracts*BK2407051595 Hanoi Voice of Vietnam in English
1000 GMT 22 Jul 95*

[FBIS Transcribed Text] More and more Vietnamese people are taking up overseas work contracts. A total of 84 contracts supplying the services of 4,500 workers overseas were approved by the Ministry of Labor, War Invalids, and Social Affairs in the first six months of this year. Among the 37 companies allowed to execute labor contracts abroad, the Overseas Labor Cooperation Company of the Ministry of Transport and Communications take the lead with nearly 1,500 workers.

Bank Directors Meet on Monetary Policy*BK2207142695 Hanoi VNA in English
1404 GMT 22 Jul 95*

[FBIS Transcribed Text] Hanoi VNA July 22 — Bank directors throughout the country have met here to assess the implementation of the monetary policy in the first half of this year and discuss the measures to control inflation in the coming time under instruction of the prime minister and Vietnam's pledge with the International Monetary Fund (IMF).

Over the past months, the State Bank attached special importance to the implementation of the credit and foreign currency management policies and readjusted the rates of interests and exchange in time. As a result, the self-ruling of the commercial banks has been raised.

In the second half of this year, the bank will continue to carry out a policy of stricter monetary control in a bid to check high inflation (11.5 percent for the first-six months, compared to 14.2 percent for the whole 1994). Together with the implementation of the foreign currency management, it plans to renovate and improve other banking services.

Addressing the conference, Nguyen Ha Phan, Politburo member of the party Central Committee and head of the economic commission of the party Central Committee stressed that it is necessary to improve managerial capacity of the State Bank in all monetary activities, and strengthen the banking staff. He urged the State Bank to strictly control the activities of

state-run commercial banks, private banks and other credit organisations to ensure safety of capital, to better the foreign currency management, and to improve the administrative procedures.

State Bank Governor on Anti-Inflation Measures

*BK2107145895 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 20 Jul 95*

[Interview with State Bank Governor Cao Sy Kiem by an unidentified station correspondent in Hanoi on 20 July]

[FBIS Translated Text] [Correspondent] During the first six months of this year the socioeconomic situation developed remarkably, but inflation reached double digits. What is your comment on this?

[Cao Sy Kiem] Yes, I must admit that during the first six months of this year inflation was higher than that of the corresponding period last year. There were three factors behind this increase.

First was the shortfall in revenue collection and the increase in expenses that caused a deficit in our state budget, thereby encouraging inflation.

Second was the monetary activity involving payments made in early 1995 for loans and credits obtained in 1994 to overcome the consequences of typhoons and floods. This was coupled with our need to purchase a large amount of foreign currency during the same period. Moreover, retroactive payment for the wage increase was not carried out consistently until late 1994 and early 1995 due to a shortfall in our revenue collection.

Third was macromanagement, especially management and control of the demand for essential goods such as grain and cement. Had we balanced supply and demand of these merchandises effectively, we would not have experienced the cement price increase.

[Correspondent] Could you elaborate on the measures taken by the State Bank to curb inflation in accordance with the National Assembly resolution?

[Cao Sy Kiem] One of the bank's main tasks is to restore the value of our currency. As a result, the bank plays an important role in curbing inflation. Realizing our position and duty, and on the basis of the government's general directive, we have taken various measures to contribute to containing inflation. First, we have integrated our efforts to improve financial and monetary activities to mobilize capital from society to create loans for production. When production is effective it will create a balance in [words indistinct]. Second, we have decided to provide more loans to

serve effective production establishments while striving to collect full and due debts from enterprises. We have also taken measures to suspend temporarily obtaining foreign currency for our national reserves while striving to reduce the amount of money in circulation. Third, we have seriously implemented the government's directive on rejecting direct or indirect loans for ineffective production establishments.

While carrying out these main tasks we have, first, taken measures to [words indistinct] to mobilize more capital and to grant more credits. Second, we have also striven to adjust our interest rate to attract savings from the public to be able to grant more loans to production establishments that can repay on a long-term basis. Third, we have striven to formulate an effective monetary system to ensure the demand for foreign currency and to serve trade so as to create a favorable environment to promote investment at home and abroad. Fourth, we have taken measures to ensure money procurement provided by various security companies to guarantee loans and credits and [words indistinct].

[Correspondent] Does the State Bank have plans to coordinate with other sectors to curb and contain inflation?

[Cao Sy Kiem] I must admit that coordination with other sectors in this regard is not uniform and consistent. As a result, we are trying, first, to formulate an effective coordination program with various sectors and agencies to contain inflation, especially with the State Planning Commission to resolve issues related to production and [words indistinct]. Second, we will coordinate with the financial sector to implement the monetary policy effectively, especially in granting loans and credits and [words indistinct]. Third, we will strengthen coordination with the trade sector to ensure foreign currency for trade activities. These are the various measures aimed at contributing to curbing and containing inflation.

[Correspondent] Thank you very much.

Son La Province Reviews Party Work, Membership

*BK2007122795 Hanoi Voice of Vietnam Network
in Vietnamese 0500 GMT 20 Jul 95*

[FBIS Translated Text] Implementing the party Central Committee's third plenum resolution, Son La Province during the past four years has reviewed the tasks of 368 basic party organizations, or 60 percent of the total number in the province. Reviews of party membership also increased by 58 percent. Through this task, the province has correctly appraised the role of party members, detected new and positive factors, enhanced

the membership's sense of responsibility, consolidated party organization, and further strengthened internal unity.

During the review period, the province also detected and dealt with those who had violated party discipline. A total of 180 party members were censured, 270 warned, 40 dismissed from office, and 110 expelled from the party.

Socioeconomic Targets Set for Mekong Delta Area

*BK210708.1995 Hanoi VNA in English
0631 GMT 21 Jul 95*

[FBIS Transcribed Text] Hanoi VNA July 21 — Setting the targets for the second half of this year's socio-economic plan is at the top of the agenda of a three-day conference held by the central government in the Mekong Delta province of Can Tho from July 18.

Prime Minister Vo Van Kiet and his cabinet discussed with the people's committee chairpersons of 11 Mekong Delta province measures to control inflation maintain the planned economic growth rate and keep the state budget on an even keel.

The socio-economic situation in the Mekong Delta in the first six months of this year developed in a steady way, especially in industry agriculture, forestry and fisheries and import-export trade. Agricultural production increased by 6.7 percent compared with the same period last year, with seven million tonnes of food making up 53 percent of this year's plan.

Industrial and handicraft production was also 10 percent higher than the first six months of 1994. For the second half of 1995 all provinces are advised to take stricter measures to maintain the budget balance according to plan, and to carry out social programmes. Meanwhile, they have to devise appropriate plans to control the seasonal floods which frequently devastate the region.

The Finance Ministry pointed to the difficult task of balancing the budget for the remaining six months. All province were told to revise public spending, especially in basic construction, and be alert in tax collection in an effort to produce tax evasion and unnecessary delay in payment.

Provincial chiefs were told to keep a closer watch on their subordinates and implement proper measures to punish offenders.

Speaking to the conference, Deputy Prime Minister Phan Van Khai pointed out four major problems to be tackled immediately: insufficient budget revenues, high inflation (11.5 per cent for the first six months of 1995,

compared to 14.2 percent for the whole of 1994) higher food prices, and widespread smuggling.

Vo Van Kiet, Southeast Officials Meet on Goals

*BK2407064595 Hanoi Voice of Vietnam Network
in Vietnamese 2300 GMT 22 Jul 95*

[Report by Dinh Khai]

[FBIS Translated Text] On 21-22 July in Ho Chi Minh City, Prime Minister Vo Van Kiet and deputy prime ministers Phan Van Khai and Tran Duc Luong held working sessions with people's committees chairmen of the southeastern provinces of Ninh Thuan, Binh Thuan, Khanh Hoa, and Ho Chi Minh City, to discuss budget work in the first six months of the year, the work plan for the next six months, measures to fight smuggling, and site-clearance and construction of National Route 1-A, Ho Chi Minh City-Nha Trang City section.

In the past six months, industrial production in the region developed at a relatively stable and fast pace. The construction of infrastructure projects in industrial zones was accelerated. Agricultural production output was high, fishery promotion improved, trading and tourism activities developed fairly well, and foreign investment continued to increase. Social programs have brought encouraging results, the people's livelihood is stable and has gradually improved, and social order and safety have been firmly maintained.

However, as in other parts of the country, cities and provinces in the region failed to fulfill targets for budgetary collection due to ineffective efforts in fighting under-collection. Prices were still changing uncontrollably. Moreover, costs of projects all increased over the previously approved estimates, thereby creating the possibility of transferring large amounts of debt to 1996 fiscal year. The development of industrial zones lacks general planning and careful consideration of the capacity of the existing infrastructure.

Delegates discussed measures to successfully fulfill annual targets and prepare for next year's plan as well as the 1996-2000 five year plan. Focus was put on the core tasks of strengthening market control, antismuggling, increasing budget collection, practicing thrift, handling losing state-owned business establishments, consolidating management in the private business sector and in foreign invested establishments, speeding up planning work, setting up more infrastructure projects, ensuring a hygienic urban environment, and implementing measures to restore traffic order and safety.

Prime Minister Vo Van Kiet and deputy prime ministers Phan Van Khai and Tran Duc Luong addressed the delegates at the sessions. The prime minister urged the

chairmen of provincial and city committees to actively implement the government's policy of administration reform in order to create an efficient administrative mechanism able to solve immediate issues and plan long term development for the localities. The authorities should also strive to fulfill budgetary obligations particularly to achieve all collection targets, and actively suppress smuggling activity and wasteful spending.

The prime minister also requested the localities to implement with high effectiveness the government's directives on municipal and traffic order and safety. He emphasized the management role of local authority especially that of people's committee chairmen.

Presidential Office Cites 2 New Ordinances

BK2207112495 Hanoi VNA in English
0650 GMT 22 Jul 95

[FBIS Transcribed Text] Hanoi VNA July 22 — Two ordinances, one on administrative violation and the other on people's Police Force were made public at a press conference held here yesterday by the Presidential Office.

The ordinance on administrative violations, which replaces the one enacted on 30 November 1989, is aimed at positively preventing and giving strict punishments to all administrative offences to restore social order and ensure the enforcement of laws, Minister of Justice Nguyen Dinh Loc told the conference. The 10 chapter and 95 article ordinance will take effect as from Aug. 1, 1995.

On the ordinance on amendment to Article 6 of the ordinance on the Vietnam People's Police Force, Vice Minister of the Interior Le The Tiem said that the amendment was made in order to define clearly the duties and power of the Ministries of Transport and Communications, and the Interior so as to ensure traffic order and safety.

North Transfers Electric Power to South

BK2007094395 Hanoi VNA in English
0750 GMT 20 Jul 95

[FBIS Transcribed Text] Hanoi VNA July 20 — Power plants in the north have transferred through the 500-KV Trans-Vietnam North-South Power Line over 9.2 million KWH of electricity to the centre and the south everyday.

Ho Chi Minh City and the southern provinces have received over 7 million KWH on average.

The 500-KV power line is operating well and transferred over 64 million KWH last week.

Thanks to this power line, electric generation sources in the north have provided the central provinces with sufficient electricity for production and consumption. As for Ho Chi Minh City, 40 of its daily electricity output is from the north.

Australia

Keating Rules Out Sending Warship to Mururoa

*BK2207123995 Melbourne Radio Australia
in English 1100 GMT 22 Jul 95*

[FBIS Transcribed Text] Australia's prime minister, Paul Keating, has ruled out sending a warship to the French nuclear test site at Mururoa Atoll.

He made the announcement following a meeting with his New Zealand counterpart, Jim Bolger, after they attended the launch of a guided missile frigate for the New Zealand Navy in Melbourne. The two men said they agreed to step up pressure against France through the South Pacific Forum and were looking at whether a case against France could be taken to the International Court of Justice. However, Mr. Keating said Australia would not follow New Zealand's example and send a navy ship to the test site.

[Begin Keating recording] No. We thought about this originally, you send Navy ships when you want Navy ships to do naval things, and I don't think any [word indistinct] on this occasion. [end recording]

Defense Cooperation Accord Signed With Greece

*BK2007023295 Melbourne Radio Australia
in English 0100 GMT 20 Jul 95*

[FBIS Transcribed Text] Australia and Greece have signed an accord to develop military defense cooperation. Helena Smith reports that the agreement was signed by Australia's minister for defense science, Gary Punch, during a visit to Athens.

[Begin Smith recording] Greek officials said the accord, which took almost a year draft, will strengthen military ties, not least between the two countries' navies. After two days of talks with senior government officials in Greece, Gary Punch said he hoped the agreement would also lead to the two nations exchanging more information on military matters.

Greece is one of the world's biggest importers of conventional weaponry and has long expressed an interests in buying military equipment from Australia. With the Yugoslav conflict raging above their northern border, the Greeks say improving their armed forces has become a top priority. [end recording]

New Zealand

Cabinet Votes To Send Navy Ship to Mururoa

*LD2407093695 Melbourne Radio Australia
in English 0700 GMT 24 Jul 95*

[FBIS Transcribed Text] The New Zealand Cabinet has voted to send a navy survey ship, Tui, to the French nuclear test site of Mururoa Atoll in French Polynesia. The Tui will support a peace flotilla of an expected 100 private vessels from Australia, New Zealand, and other Pacific countries which will protest against the resumption of nuclear testing.

Several New Zealand opposition parties wanted to send a frigate because of its extra capacity and more sophisticated communications facilities. But the government says the smaller Tui will be able to stay in a stationary position for a longer time.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

- Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.
- Headlines and all bracketed explanatory notes are supplied by FBIS.
- Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.

